THE EMPIRE CLUB
ADDRESSES 1955-1956

THE EMPIRE CLUB OF CANADA

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Dr. C. C. GOLDRING

President of the Empire Club of Canada
1955–1956

THE EMPIRE CLUB OF CANADA

Addresses 1955-1956

GOD SAVE THE QUEEN

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Fifty-third year of Issue

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EXCERPT FROM "ORIGIN AND OBJECTS OF THE EMPIRE CLUB" PUBLISHED IN THE YEAR BOOK FOR 1903-1904

On November 18th, 1903, a small meeting was held in Webb's Restaurant, Toronto, mainly on the initiative of Lieut.-Col. James Mason, for the purpose of preliminary discussion. The Chairman in a brief speech pointed to the desirability of an organization, following the plan of weekly luncheons, to be addressed by prominent men, or men speaking with authority upon the issues of the day, and having also a distinctive basis of British Unity in its work and policy.

A sub-Committee met on the following day and appointed . . . . . a Committee to draft a Constitution.

The meeting at which these principles and rules were approved and organization effected was held at the Luncheon hour on November 25th, in Webb's Restaurant, with some seventy gentlemen present . . . . after a discussion of various proposed names . . . . The Empire Club of Canada . . . . was approved by a large majority.

THE ROYAL EMPIRE SOCIETY

AND

THE EMPIRE CLUB OF CANADA

The Royal Empire Society of London, England, and The Empire Club of Canada at Toronto were both founded for a single purpose and with a common aim:—The strengthening of the bonds of unity within the Empire. This mutual objective is prosecuted with vigorous enthusiasm by the members of these organizations on both sides of the Atlantic Ocean.

The opinions and views expressed in the Addresses contained in this volume are those of the speakers themselves and do not necessarily carry the full or partial endorsement of The Empire Club of Canada.

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THE EMPIRE CLUB OF CANADA

"CANADA'S IMPACT ON WORLD AFFAIRS"

An Address by

MR. JOHN BASSETT, Jr.
Publisher of The Toronto Telegram

A Joint Meeting with The Canadian Club of Toronto and the Life Underwriters Association

Wednesday, June 16th, 1955

CHAIRMAN: The President, Dr. C. C. Goldring.

Dr. Goldring introduced Mr. Trevor Moore, President Canadian Club, who introduced the speaker.

MR. TREVOR MOORE: Our speaker today is a man whose multiplicity of activities would challenge the scope of a full-scale biography, let alone that of a brief introduction.

To give you a few indications:

—he has toured Europe as a member of a Canadian hockey team,

—he has accepted the surrender of the German forces at Amsterdam as a Seaforth Highlander in the Canadian army,

—a graduate of Bishop's College and Bishop's University, he was proposed for a Rhodes' scholarship partly as a result of his eminence in debate,

—he decided instead to perfect his French, which he chose to do by playing hockey in Europe. This comes as a surprise to most people because tennis is his favourite game.

Actually all these activities, together with a distinguished career as a reporter on *The Globe and Mail,* were to become contributory to his real career which, until recently, many of us had thought to be the publishing of newspapers. Certainly, a man who has published the Sherbrooke *Record* and is now publisher of the Toronto *Telegram* would normally be thought of as a publisher.

Latterly, however, it has developed that he is still a reporter at heart, and, to use a phrase which for some reason is seldom heard on Melinda Street, a *Star* reporter at that.

Gentlemen, the subject of this address for members of the Empire Club is "Canada's Impact on World Affairs." For the Canadian Club the address has been entitled "Allies Revisited." To handle both of these subjects at one and the same time, before the three clubs represented here today, I introduce our speaker, John Bassett, Jr.

MR. JOHN BASSETT, Jr.: I wish first to say how delighted and honoured I am to have this opportunity of reporting personally on my recent trip to Europe to such a large and distinguished audience.

During the ten weeks I was away, I had an opportunity of meeting and talking to the most important political leaders of Italy, France, Belgium and Great Britain and also to many journalists, diplomats as well as a number of men and women in every walk of life who, like most of us, are representative of the great masses of free men and women who are so dependent upon our parliaments to steer a wise course through what is still a very complex and dangerous world. I am glad of the opportunity to tell you some of the things that these people told me, to describe some of these men personally, and also to share some impressions which I formed about conditions in the world generally, and the part Canada and Canadians can play in affecting these conditions.

The first part of my trip took me from the very south of Italy through that country to its northern border and into France. I crossed the country by car three times from the Mediterranean to the Adriatic and had a very good opportunity to study conditions there, and I should like to speak about Italy first.

During the war I spent eighteen months in Italy, a year of that time as an officer in an infantry battalion. Quite frankly I did not develop any great affection or respect for the Italian people. The beautiful scenery of the country was a gift from the Almighty and the great art treasures were contributions from Italians of a bygone era. Italians under the pressure of war seemed to be doing little to deserve either.

Today, ten years later, I have developed both affection and respect for the Italians. They have come through a very difficult time; their country had been devastated by war and many thousands of Italians had had the war brought home to them in a most personal way as first German and then Allied troops came and fought through their farms, villages and cities and remained to occupy the country.

In the past ten years the strides made by the Italian people have been immense. On the political front they have met and now defeated the most powerful and concentrated Communist threat to any country still outside the Iron Curtain. We are prone to forget that it was the allies that brought Communist participation into the French and Italian governments immediately after the war, when our own leaders still believed that the wartime co-operation with the Soviet Unon could be carried into the years of peace.

The late Alcide de Gasperi will certainly rank with the very highest of Italian and democratic leaders for the courage and skill he showed, first in keeping the Communist members of his post-war government in control and finally dismissing them entirely.

It is safe to say that the Communist tide in Italy has been stopped and there are signs that it is going back.

While in Rome I talked with the number two or three top Communist, Pajetta, as Togliatti, the leader, at the last minute would not see me. Pajetta, is one of the party secretariat of seven who run the party, is a member of the Italian parliament and is in charge of all propaganda for the Communists in Italy. He had, incidentally, not heard of any of our home-grown Communists such as Joe Salzberg, Stewart Smith, Tim Buck or MacLeod.

Not yet forty, Pajetta spent twelve years of his life in Fascist jails. He was later exiled to France by the Fascist government but was caught acting as a courier between the French Communist party and the Italian Communist party which was then, of course, underground. The war freed him and he became an underground agent against the Germans and through this came to power both within the party and as a member of parliament. He represents the new 'soft' line which the Communists are now using everywhere in Western Europe—the line of co-operation with other political parties in the still free countries of Europe, in an attempt to gain power through political alliances with Socialists or anyone who will join them.

A day or two before my interview with him a very important Labour election at the Fiat works in Turin had been held and the Communist slate had been badly defeated and thrown out of their previous position of control of the Union. Pajetta himself said to me, "We have suffered a heavy blow."

The victory here of the Christian Democratic Party has been repeated in the provincial elections held in Sicily on June 5th when they increased their hold in the Legislature from 30 to 37 seats while the Communist and Socialist supporters were held to no gain.

The Italian government is also showing great courage in its plan for the industrialization of Southern Italy. I had a long interview with Dr. Vanoni, the finance minister, who is the originator of this plan, which envisages the development of water power plants first of all, and then the construction of a diversified industrial empire in Southern Italy where there are important reservoirs of labour manpower.

The carrying out of this plan requires real political courage because it is in the agricultural south where, in spite of poverty and a comparative lack of education compared with the people of the industrialized north, that the Christian Democrats and the parties of the right wing, which support them in parliament, draw their most consistent and solid support. Dr. Vanoni told me that as industrialization goes forward, it is only to be expected that in the first stages Communist organizers may make political gains. He said, however, that political expediency could not be a factor and that if Italy was to continue to prosper and grow, then the people of the South could no longer be held in the chains of poverty.

I do not think it necessary to go into too great detail about the material rebuilding of the country but it has been tremendous. I drove up the highways both on the Adriatic side and north from Naples and Caserta in Central Italy that had served as the axis for the Canadian advance during the war. When one considers that every highway bridge, and railway bridge had been blown up by the retreating Germans, and that virtually every town had been destroyed not from the air but at close quarters by artillery fire and tank fire, the job of rebuilding that has been done is impressive. The traditional Italian love and appreciation of art has been given full play, and the examples of modern architecture, design, colour, and decoration, which I saw, could perhaps give our Canadian builders some worthwhile ideas that might be applied in our own country.

As is true in all the free countries in the world, inflation has played some part in post-war Italy, and the cost of living has increased, but, of course, by Canadian standards is comparatively low.

The Italian people, in my opinion, have found a new pride in what their country is doing, are proud and grateful to have been re-accepted into the family of free nations and are determined to accept their responsibilities as a member of NATO. Their government is strong and certainly by European standards is stable and is giving constructive leadership.

Unhappily I cannot be so optimistic about France which is, of course, basically far more powerful than Italy and more important to Canadians not only because this country shares part of her heritage with France, but because we have now along with the other members of NATO approved the rearmament of Germany, and a strong France is necessary to balance a strong Germany.

To the outward eye France is strong and prosperous. I drove from the Southern-most tip of the nation from the Mediterranean, right across to the Atlantic coast and war-battered Caen, where the Canadians entered July 12, 1944, and then north to the Belgian border. The broad, rich acres and vineyards of the Burgundy country, the Rhone and Loire valleys never looked lovelier. The fruit trees were heavy with their April blooms. The fat, sleek French Percherons were plowing the rich fields and the French farmers were looking forward to a bumper crop.

Paris was full of tourists and the hotel keepers and shopkeepers were filling their pockets with American and Canadian dollars in what is Europe's most expensive city with prices now on a par with New York.

But there is still a basic sickness in France. Besides having a long meeting with George Bidault, I was privileged to spend over an hour with General de Gaulle who, although, removed from practical politics still exerts the strongest political-moral force in the country. Both men recognize the weariness and sickness in the nation. General de Gaulle, tall and still straight and alert, believes that when the present generation of French men and women, who were too young to remember the war, assume positions of top power in politics and industry that France again will resume her rightful place.

He sees signs of this already, a most important one being the rising birthrate. He believes this will give France much needed manpower, and that the atmosphere of larger families will create a more vigorous and rough and ready spirit in the people.

He says that France needs time, ten or fifteen years. At the present time France does not appear to have the will to accept the necessary sacrifices at home to build back her power on the firm basis as England has done in the post-war years. There is a deep contempt for parliamentary institutions and political leaders which seems common to all classes. Leaders of all parties are referred to simply as 'the politicians' and appear to be regarded as a distinct class of society unto themselves.

They are blamed for the defeat of France, and the post-war run-away inflation, which is only just now coming under control. The French do not appear to want a strong Federal Government. Competent observers say that no matter what change might be made in the constitution they would find a way around it to shear away any real continuing power from the government such as we know it under parliamentary responsibility in Canada.

In fact, many Frenchmen do not consider there is a political freedom in Canada. Their view is that with us parliament is subjugated to the government. That party discipline is so strong that the Cabinet can rule and parliament has no means of turning out a government. They claim that although ministries change frequently in France, policies do not change so materially, and that all the British, American and Canadian concern about 'stable government' in France is unreal.

But the hard political facts of post-war France hardly bear this out.

There is no doubt that there is almost a national psychosis about the loss of French power in the world through disastrous defeat in the war, the loss of Indo-China, and the decline of French influence in world affairs.

Blame for all this is put on the 'politicians', and the terrible loss of French manpower in the first war, from which the nation has not yet recovered.

It would take a braver man and a wiser one than I to predict what the future holds for this country. There are some who believe sincerely that France is through. They say that the basic will of the people is gone; that the humiliation of defeat and German occupation was so great that the nation will never recover.

There are others, just as knowledgeable, who say the tremendous vitality and thrifty qualities of the French people will not be denied, and once again, given time, France will be a truly great nation. General de Gaulle, of course, is one of these.

The words 'given time' are important. All say that another fifteen years are needed for France to recover, if she is to recover at all. This time is needed for a post-war generation to grow to manhood. It is generally agreed that the young adults of twenty-one to thirty of today in France are far more serious and hard working than their parents ever were.

There is, of course, great distrust of the Germans, and grave doubts of the wisdom on German rearmament. This was strongly stated by George Bidault in his interview with me. But there is also reluctant acceptance of the necessity for a strong Western European army of some kind.

I found a greater acceptance of hard fact in Italy than in France. I was more impressed with the efforts of the Italian Government and the Italian people to rebuild than I was in France.

Certainly little Belgium is far more prosperous and on a sounder basis than her big neighbour. For instance one gets fifty Belgian francs to the dollar, as compared to 350 French.

Discussing these differences I was told that neither Belgium nor Italy had suffered the same deep degradation from war and occupation as had France.

I was told that the Belgians through all their history had been used to occupation and being a battlefield, and under the control of foreign governors. Due to this the Belgian people have developed a kind of inner freedom that immediately reasserts itself when the invader leaves.

Italy, also, has never been a nation is the same sense as has France. Until 1943 they were on the winning side with Germany. The Italians, I was told, united only in 1870, do not have the pride of nationhood that the French possess.

My informant compared France to a woman who had been raped, brutally outraged. He said the act itself was bad enough, but the psychological after effects were much more serious. He believed that in time, given understanding and help, France, like the woman, would recover.

Naturally the recovery of France is very important to us all. Without it Germany will completely dominate continental Europe from the English Channel to the Iron Curtain. Britain and North America will then be dependent on the Germans to a degree that I, for one, do not like to contemplate.

Leaving continental Europe on a lovely May day, I flew from Paris to London and I must confess that arriving in that great capital for the first time in ten years, I had a strong feeling almost of coming home. One does not have to be in England long to sense that the driving urgency that has served those island people so well through the centuries and has had such a tremendously beneficial effect on the development of the free institutions by which we all live, is still strong. This spirit has brought Britain from near bankruptcy, and the after effects of war, once again to economic strength, political stability and a quiet confident pride in the knowledge of the great role that they must still play everywhere in the world.

Conditions in England are very good and the re-election of Sir Anthony Eden, which for the first time in one hundred years sent an existing government back into power with an increased majority, was a clear mandate from the British people to continue along the road which that nation has been following for the past three and a half years.

I had the great good fortune to meet and talk privately with the Prime Minister a few days before the election. Let me say at once that I have never seen him looking more fit. He is full of confidence in his own ability and the abilities of the United Kingdom to meet whatever tasks lie ahead. All reports about his health are good, and the operations which he underwent have now resulted in complete success. As most of you know he has the warmest and deepest affection for this country.

I also went out to the London suburb of Woodford to attend a meeting of Sir Winston Churchill's. I predict that he will still play a great role in British and world affairs, and now removed from partisan politics, the tremendous reservoir of respect and affection that is held for him by all Englishmen will enable him to become a great moral force and strength second only to that of the Queen.

You would all have enjoyed seeing Sir Winston with a twinkle in his eye referring to the Socialist election propaganda that he has been pushed unwillingly from the high office of Prime Minister. He said to his own constituency, "This is not so, and I am sure you all know me well enough to know that I could not be pushed from any position I was not willing to leave." These remarks and his mischevious smile were greeted with a roar of approval and applause.

But quite aside from the talents of the men who are now leading British politics is the force of all the fifty million English men and women who make up that nation. It was these people who after undergoing the tremendous hardships and sacrifices of the war, who saw their great cities bombed, their armies thrown back and their ships sunk, and after finally emerging victorious, accepted the rigours of rationing, and levels of crushing taxation, so that their country might be rebuilt, and their trade restored, so that once again their island kingdom might assume its rightful place, in full partnership with the United States, as leaders of the free countries of the world.

It is my considered judgment that now with full employment, wages at an all time high, savings at an all time high, and the balance of trade gaining, that as in the past, so in the future, the United Kingdom will continue to be a bastion of moral good and of freedom—giving inspiration and hope to all Europe, and indeed to the whole world.

The main and most important impression which I have brought back from this trip and from my conversations with those whom I met is that the tensions in Europe have considerably eased in the past twelve months.

Men with such different political views as the Italian Communist, Pajetta, and George Bidault of the MRP party in France, both feel, as did the Prime Minister and Foreign Minister of Belgium, that Russia is almost desperately looking for some way to live at peace with the free world.

This, of course, does not mean that the Soviet has suddenly developed any great love for us but is following this policy from necessity faced with the ever growing strength of the Western nations.

Evidences of this new attitude can be found in the Austrian Peace Treaty, the recent hat-in-hand visit of Khrushchev and Bulganin to Tito, and the willingness of the Communist leaders to attend a meeting at the summit.

It would appear that the Russians have perhaps been badly frightened by the aggressive attitude of their Chinese allies, and of the obvious readiness of the United States to face a hot war, if necessary, in the Far East—which could rapidly extend into a world-wide conflict.

My view is that if the Western leaders meet the situation with imagination and courage and always retain their position of strength, that real progress may be made to set up the means of peaceful co-existence.

Of great interest to me, of course, was the attitude toward Canada, that I found on every hand. The prestige of this country was never higher abroad, than it is today. At the political level the part that Canada played in the last war is not forgotten, but, perhaps, even more than this, the diplomatic skills of our Prime Minister, Mr. St. Laurent, and our Secretary of State for External Affairs, Mr. Pearson, in the difficult postwar world of the past ten years, are greatly admired and greatly respected.

At the level of the man in the street, Canada is regarded as a land where dreams come true, a treasure trove of the Western world where work and bread are found in plenty and where the people are truly free and friendly.

In the minds of Europeans, Canada stands as a strong and united nation. Our representatives abroad in the diplomatic service are men of high calibre and certainly the voice of Canada in the councils of the world is listened to with respect. It must, therefore, be a source of tremendous pride and gratification to every Canadian that our country ranks in this high position.

Talking to the Prime Minister of Belgium, Achille Van Acker, he said to me, "I wonder if you Canadians realize what a wonderful country you have and what wonderful opportunities lie at your hands."

I share this doubt that we do realize how really important we have now become. Most of us know that we are the third trading nation of the world. Most of us are aware to some extent of the great industrialization that took place under the hot spur of war, and that it has increased three fold since 1945. Most of us have some idea of the tremendous developments taking place in our hitherto unexplored areas such as northern Quebec and northern British Columbia. But I doubt if we fully realize to what extent the eyes of the world are fastened upon us with such a mixture of hope and longing.

I submit for your earnest consideration that the greatest need in this country today is the development of a strong national feeling of Canadianism. I do not mean the development of a sense of narrow nationalism but I do mean the development of a deep sense of pride in our country, a feeling of brotherhood and common cause between those that live as far away as Halifax is from Vancouver, or as St. John's, Newfoundland is from Victoria.

I believe that Canadians must cast off old-fashioned thinking and outworn concepts of what can or what cannot be done. I also happen to believe that there is a quick and sure way that this feeling of Canadianism and brotherhood can be developed, and I mean through service.

I know of no better way for young Canadians to identify their own lives with the well being of their country than by accepting responsibility through service, and I think that the time is ripe now for our present government to institute a policy of one year's national military service for the young men of Canada.

We are fortunate in having as Prime Minister of this country, a man who is almost universally respected not only for his political leadership but for his great human qualities.

He also happens to be a French-speaking Canadian and leader of a party which strongly opposed national military service from 1917 until the Second War. It is my own belief that if Mr. St. Laurent would take a trip across this country explaining the need for this service, what it would achieve in building up the spirit of Canadian nationalism, and then return to the House of Commons and guide the necessary legislation through the House, scarcely a voice would be raised in opposition.

I worked as a journalist for some years in the Province of Quebec, and I stood for parliament in a French-speaking constituency when I was still in uniform. I speak French and consider that I know that province well. It is my sincere belief that if properly explained and removed from the context of war or heated political campaign, that there would be no more opposition to national military service in the Province of Quebec than in any other part of Canada. Anyone who suggests that Quebec is not willing to play its full part in the development of Canada, I believe is unaware of the true feelings of that province.

The subsidiary benefits of such a plan would, of course, be tremendous. One can easily visualize what a year of regular food, regular hours of sleep, a measure of discipline and exercise, and of living out in the open would do for the general health of Canadian youths.

If, God forbid, we should ever again be faced with a war, it would, of course, be far more fair to those who have to fight it, if they had been properly trained before the bombs fell or the bullets started to fly.

But important as these points are to me, they are subsidiary benefits. The main purpose and overwhelming good that would be achieved would come from the mixing-up of young Canadians from every part of the country, from every type of home and background, from farm, from city, from town and hamlet, and letting them get to know each other, to know different parts of the country, identifying themselves with their country by serving it. I can conceive of no other method which would be as effective in teaching young Canadians that they have a responsibility to give as well as to take from the richness of this great nation and that Canada will only go forward to the extent of the sum total of the contributing effort of all her men and women.

Gentlemen, it is my conviction and I am sure it is yours too, that great as has been Canada's role in the past, that we are only on the threshold of great attainments. If this greatness is to be achieved, it can only be done by a united nation made up of people who know and respect each other. Let us not because of long past differences of opinion and of old-fashioned and outworn political beliefs, fail to grasp this opportunity now. But instead let us encourage our Prime Minister to grasp the nettle firmly and go forward with courage and imagination so that Canada can be ready to accept the great future that must be hers.

"IS THERE AN ANSWER?"

An Address by

DR. BILLY GRAHAM

Thursday, October 6th, 1955

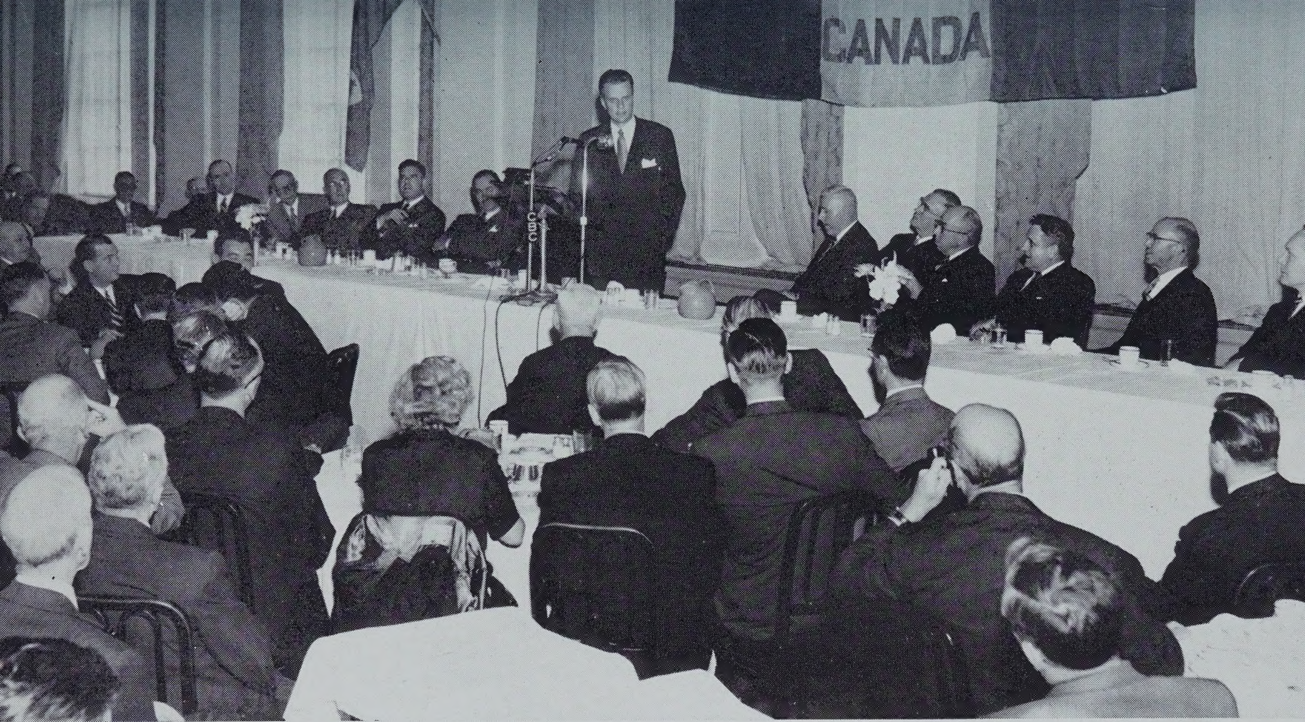
CHAIRMAN: The President, Dr. C. C. Goldring.

DR. C. C. GOLDRING: It is particularly appropriate for the Empire Club of Canada to begin its 1955-56 season by having as its guest speaker a man who has been designated as "the most potent evangelist in American history".

Dr. Graham came to Toronto at the request of more than five hundred churches, and is conducting meetings which attract many thousands each day or evening. Tens of thousands of Canadians have followed the career of Dr. Billy Graham during recent years. During the years 1951-52-53, the Graham Crusade centred in seventeen major American cities, including Washington, Dallas, Seattle, and Detroit. During each of those years, approximately two and a half million persons attended the crusades. In 1954, Dr. Graham went to Europe and in England and Scotland conducted meetings which were attended by more than 3,100,000 people. Probably his largest single meeting took place at Wembley Stadium when there was an overflow throng of 120,000.

Following his crusade in Britain, he visited Europe and conducted meetings in six countries, having an attendance of some 80,000 on one occasion in Berlin.

From coast to coast many Canadians listen to Dr. Graham's radio broadcasts entitled "Hour of Decision", which is currently heard on more than 400 stations on this continent and approximately fifty foreign stations. He has also appealed to thousands by means of religious



DR. BILLY GRAHAM MEETING, October 6th, 1955. *From Left to Right:* John Griffin; Dr. C. R. Sanderson; H. T. Jamieson; Donald Jupp; C. D. Dalton; Dr. Billy Graham; Dr. C. C. Goldring; Frederick Gardiner; T. H. Howse; Rev. Richard Jones; W. H. Montague; Bruce Legg.

Dr. Walter P. Reuther Meeting (Joint meeting with the Canadian Club of Toronto) October 11th, 1955. *From Left to Right*: Dr. C. C. Goldring; Dr. Walter P. Reuther.

films, of which four have now been produced under his general direction.

It is a real pleasure to welcome Dr. Graham here today, and I extend to him, on your behalf, a warm welcome to the Empire Club of Canada.

MR. GRAHAM: Mr. Chairman, gentlemen, members of The Empire Club, and friends who are gathered here today, it is a great delight and privilege for me to be here. I am also grateful for the very generous remarks that have been made by your President, and I am reminded of an incident that happened to the Archbishop of Canterbury some years ago. He was scheduled to visit an orphanage. In preparing for the occasion, the head of the orphanage gathered all the children together and said, "Now, when the Archbishop comes, there is a certain protocol you must observe. The Archbishop of Canterbury is always addressed as either "My Lord" or "Your Grace", and that is the way you are to address him if he stops and talks to any one of you."

So the Archbishop came. When he stopped in front of one little boy, he asked, "Son, how old are you?"

The little boy, frightened, looked up and answered, "My God, I am ten."

Now after the introduction that I have had today and the statistics that have been quoted, I am not sure exactly what you think of me, but we have been looking forward to coming.

I heard a story the other day about a Texan who was playing jokes on another Texan—and when two Texans play jokes on each other, they are really jokes, for they carry to some extremes. It seems that this man had been doped by his friends—he had been given some sort of drug that put him to sleep. They had prepared a grave for him out in the cemetery; and so they put him in the coffin, carried him out to the cemetery and buried him in this grave—but they didn't cover it. The next morning when he awoke, he looked all around and saw that he was lying in a coffin. He looked up at the clear blue sky, then stood up in the grave and looked around at the other tombstones. All of a sudden he gave a shout: "Hallelujah! This is the resurrection morning, and a Texan is the first one up."

I am certain that The Empire Club has a certain amount of pride in the Commonwealth of Nations, and more particularly in the Commonwealth of Canada. It has been my privilege to be in many parts of the British Empire and recently to spend a great deal of time in the British Isles and to make many friends there.

Most of us are aware, I think, that not only Great Britain but also the United States and the entire world are battling, as one United Nations delegate recently said, for our very survival. Economically, morally, politically, religiously and otherwise, we are battling against forces of materialism and humanism and communism that are beating at our gates from without and infiltrating from within. We are living in a period of world history that could either mean the beginning of a new day in history in which all mankind could be lifted to new economic levels and a new standard of living or we could be living in a day in which the entire world could be swept into destruction.

A German scientist recently said in Germany that it is now possible to depopulate the entire earth. That seems strange: that we must be afraid of weapons today. With the advance of science, with the lifting of economic conditions, with the parts of the world that have been illiterate learning to read and write and having advantages of educational, medical and social help that they have not had before, it seems strange that ours should be an age of fear.

Many people are asking, Why? They are asking: What is the solution to our many problems? Which way can we turn? Is there an answer?

Many people feel there is an answer in the United Nations. Others feel there is an answer in economic help to the under-privileged and in the Four Point Programme that President Truman outlined a few years ago. There are many people today with various answers. Everybody is having his say. And now, today, I want to have a say. I want to go back two thousand years to find the answer to the dilemmas and the problems that we face.

The United States and Canada were founded by God-fearing men. Whether their faith was Catholic or Protestant they came to these shores believing in God. They had a Bible in their hand. They put into the very foundation of our government "In God We Trust." They believed in Almighty God. They had a strong faith in religious liberty and a strong faith in the Almighty. They believed in God and the Bible. They made the Bible the very basis of our way of life and of our government and of our laws.

But a few years ago we decided that we no longer needed this faith, we no longer needed the Bible, we no longer needed God; and about the turn of the century we saw something happen. We began to feel that in the scientific, economic and industrial advances we had made that somehow science and religion could not be brought together and that religion was something belonging to the archaic past, that it was a group of myths, something to be done away with—and we almost agreed with Lenin when he said it was the opiate of the people.

So we discarded religion. Particularly in intellectual circles, we discarded the supernaturalistic concept: we said we no longer believed in God, we no longer believed in the Bible. So we substituted other things: Reason, Rationalism, Mind Culture, Science Worship, Freudianism, Naturalism, Humanism, Behaviourism, Positivism, Materialism—all the other isms we substituted for religion.

As a result, what happened? We developed our minds and neglected our souls. We forgot that we are more than just bodies with animal passions, animal lusts and animal desires. Oh, yes, we have bodies with eyes and ears and nose and hands and feet. Every one has a body with certain appetites that need satisfying: hunger, sex, thirst, the desire to be with each other,—the herd instinct—all of these things are passions and desires and appetites of the body. So we set about to satisfy our bodies.

Our minds also have certain desires to acquire knowledge, so we set about to fill our minds with knowledge. But we neglected a third, a very important part of the human anatomy: the soul. We starved our souls, spiritually, and our souls began to shrivel. We forgot that we had been created in the image of God and that we had living souls that also had appetites. These appetites could only be satisfied by a faith and a communion with God.

We made money; we acquired knowledge; we developed scientifically, until one day we found ourselves with hydrogen bombs in our hands without the ability to control them, and until Sir Winston Churchill said: "We have progressed scientifically and materially, but we have lagged far behind morally, and now our problems have gone beyond us." When Sir Winston asked on the floor of the House of Commons: "Is there an answer?" he sat down without answering the question, because I think even the world's greatest statesman wasn't sure that there was an answer.

We faced a dilemma: the problem of full heads but empty souls. We had departed from the idea of God. We had reared a whole generation by telling them we even doubted that there was a God. Certainly we didn't believe in accepting Him, following Him and serving Him; and morals, instead of being absolute, became relative. Instead of saying that certain things are right and certain things are wrong, and making it clearly white and black, we made it all a dull gray. We said that you could lie and cheat and be dishonest—and we called it "good business."

So our moral standard began to break down, and we began to see the symptoms of this moral breakdown in our society: it broke out into juvenile delinquency, racial hatreds, prejudice and bigotry. All the vast problems that we face today have come about because we have starved the souls of men. Men desire something more than bread to eat, and we remember the words of One of long ago who said: "Man shall not live by bread alone." We need more than bread, we need more than gadgets, ice boxes, automobiles and airplanes.

Why would a beautiful young movie star in Hollywood, at the age of twenty-nine, with a million dollars in the bank, a beautiful face, her name known all over the world, try to commit suicide?

Why would a Texas millionaire, with a hundred million dollars in oil reserves, bow his head the other day and say, "I am the most miserable man in Texas"?

I ask some of you here today . . . you have prestige, you have money; but you haven't found inward peace and happiness and security in your own life—why? You have everything to make a person happy, according to the textbooks, but you haven't found the inward peace you are looking for. Why? Because you have forgotten one thing: you have forgotten you are also a soul created in the image of Almighty God, and that soul, as Saint Augustine said long ago, is restless until it rests in God.

So we produced an age of frustration. Everybody is frustrated. There is nervous tension. I think if historians write up this age, they will call it the Vitamin Capsule Age. We are taking aspirin by the million. In the United States we are taking over three million sleeping tablets every month to go to sleep at night, and then we are taking dexedrine to wake us up in the morning. We have every type of tablet you can possibly think of.

This is an age of selfishness, an age of fear. Look at the titles of the best sellers: *The Decline of the West, The Decay and Restoration of Civilization, Civilization on Trial, The End of Our Time, The Crisis of Our Age, The Crisis of Civilization, The Annihilation of Man, The Abolition of Man.*

Professor Albert Webber has said: "We are now at the end of history, and we know it."

William Voght, in his *Road to Survival,* says: "The day of judgment is at hand."

Pessimistic titles! We missed it somewhere. Where did we miss it? We have accepted alternatives to religion and all around us we view the ruins of the secular state offered to humanity as a substitute for religion.

Five years ago, before Mr. Eisenhower's inauguration as President, I had the privilege of being invited to the

Commodore Hotel in New York City. I came in, and there sat the man who was to be President of the United States. He got up and greeted me and then went to the window for a full minute. When he turned around, he said: "Billy, do you know why I believe I have been elected President?"

I said, "I think I know several reasons, Sir."

He said: "I think one of them is to help lead America in a religious revival which we must have."

Some time ago it was my privilege to spend forty minutes alone with Sir Winston Churchill when he was Prime Minister at his office at Number 10 Downing Street. In the midst of that conversation he made this statement: "We must have a religious renaissance."

Arnold Toynbee, the great British historian, has said that only a revival of Christianity can save us.

If this is true—and the President has said it, the Prime Minister has said it, the Historian has said it, the scientists are saying it, then I say to you today that you and I, as ordinary citizens, had better be about it! It is the only way out of our dilemma. If the only way for the survival of our boys and girls, the next generation, is a religious revival, we had better be about it in every way we can.

But there is another reason, and that is that you and I have everlasting souls that are accountable to Almighty God. If you are to find peace for the rest of the days of your life, and peace in those last moments and in that hour when you shall stand before your Maker, you had better do something about it!

There was a Man—He wasn't an ordinary man, He was different from any man who ever lived—who came along two thousand years ago and said: "I have an answer." He gave to us in the Sermon on the Mount the greatest moral and social document the world has ever known, but we have never been able to live up to it. Oh, we have tried, but we have failed Why? Because we find no strength within ourselves to live up to it. Everyone has tried to live up to the Sermon on the Mount at some period in his life, but failed. You have no strength, you are not man enough, because when you want to do good, you do bad, and there is something that seems to pull you down all the time and makes you do the things you really don't want to do.

What is it? What is the answer? We forgot one thing this Man said. He was born a man, but He was the God-Man, walking in human flesh; and He said this: "Ye must be born again." What did He mean by this? That is a strange statement. He said it to an educated man, to an intellectual. He said it to a great leader. He said to Nicodemus: "Ye must be born again." He said that human nature must have a renaissance, a turn-about, it must be changed.

You find lying, cheating, bigotry, greed, hatred and immorality wherever you go. Go to India, go to China . . . I defy you to go any place in the world where you don't find these things. It is a disease of human nature, and the Bible calls it *sin*. Jesus Christ said that a man must be born again, he must have a change of human nature, he must be transformed. And Jesus said that He could do it.

You say, "Well, Billy, that is too simple." I know it sounds simple, and it also sounds illogical, and it may not be very academic.

Nicodemus asked Jesus: "How can these things be?"

Jesus answered: Marvel not, Nicodemus, you will never understand it. And then the word that followed is *faith*. "Faith" is used ninety-two times in one book of the Bible alone. And by faith, the Bible promises, if we receive Christ into our hearts as Saviour, Lord and Master, we can have our lives changed and transformed.

When I first heard that I laughed, as some of you are smiling inside now, although I knew that human nature needed a transformation. The necessity of the re-birth was taught by Wesley and Whitefield, and it led Britain into a religious revival that saved Britain from a bloody revolution such as France was having—almost all historians agree to that. It was an old word that John Whitefield and John Wesley used over and over again: "Ye must be born again." What was meant by that? I laughed at it—I said it couldn't happen.

Then one day I said: I am going to give it a trial. So one night, without emotion (it is not an emotional experience, though it can be), very calmly and very quietly I said: All right, God, I am going to give You a trial. I am going to do what You said to do. I am going to tell You I am willing. I don't have the strength, but I am willing to turn from my sins, and I am really ready to open my heart to You.

When I did that, something happened in my life. I can't explain it to you, I can't analyze it, I can't put it in a test tube. But I will give you one illustration. I come from the part of the country where men look with bias on those who have different coloured skins than they have, and there is discrimination. When I received Christ, I began to look through different eyes at men of different races, and the colour was gone. There was one of God's creatures, no matter what colour skin or shape of nose he had, and the racial prejudice was gone. I began to love instead of to be prejudiced. My life was changed. It didn't become perfect, and it is not perfect today, but I realized I had a new strength, a new power and a new dynamic for living that gave me the ability to say "No" to temptations that normally come. I had found a new resource.

It wasn't the type of religion that gives one a long face and droopy shoulders. It put a smile on my face, it gave me a spring in my step, a joy in my soul, and the happiness and the peace I longed and looked for.

I have seen men of every walk of life try it. I have seen lords and ladies and royalty, I have seen congressmen and senators, I have seen university professors give their lives to Christ. It has happened right here in Toronto in the last few days. One of your professors at the University of Toronto shook my hand last night and said: "Billy, for the last five days I have been living! I didn't know what living was. I would have laughed at this whole thing two weeks ago, but my life is different. I can't explain it. Some of my friends laugh at me, but my life is different."

Why? Because you are a soul, as well as a body and a mind, you will never find an inward joy, peace, forgiveness and sense of security with God until your soul has been satisfied; and your soul cannot be satisfied apart from God.

Now, how would that affect world affairs, you ask. This is an Empire Club . . . we are interested in discussing political and economic affairs. How can that solve the problems of the world?

Let me ask you this: Do you see any solution during the next hundred years to the problems we face the way we are going? How many of you would agree with me when I tell you that as long as men lie and hate and cheat, as long as there is prejudice and greed in the world, there is the possibility that at X point, somewhere out there, some madman will push a button and make the whole world his funeral pyre? Don't you think Hitler would have done it in his last days if he had had the power?

All right. Suppose we could give the whole world an injection of love instead of hate, suppose we could find a serum we could give the human race that would change them over night . . . do you know any serum like that? It is certainly not education alone, because it was the educated in the civilized nations who fought it out in the last war—it wasn't the primitive nations.

Do you know any answer? The answer I am giving today you may not accept—that is your privilege. It is one answer. I believe it is *the* answer: that human nature can be transformed. Your life can be transformed. If enough people receive Christ and have their lives transformed by His power, I believe it would make an impact on world affairs.

I am not in favour of war, but neither am I in favour of appeasement. I am in favour of a third force that is very rarely mentioned: I am in favour of gathering such a spiritual and moral force in the world that it will make its weight felt in the affairs of men, that we will have such a religious renaissance in the Western World—and in the whole world, for that matter—that we will demand of our leaders "peace in our time". I believe it can be done. I believe there are many evidences that it is happening in Great Britain, it is happening in Germany, it is happening in the United States, and I believe it is happening in Canada, because men today are beginning to turn back to God, back to the church and back to the Bible. I believe it is the only road out of the confusion and bewilderment that we face today.

There is a picture of a chess game hanging in Paris. On one side of the painting is the Devil, and on the other side is a lad about sixteen years of age. They are playing chess. The Devil has a leering, triumphant expression on his face. He has just licked this boy at chess, and the boy is sitting there with his head bowed and big tears trickling down his cheeks. The Devil has just won in the game of life over this lad. He has no strength, he has no way out, and he has given up. The title of the picture is "Check Mate". He had him.

A famous chess player came through one day. He looked at the painting. He felt sorry for the boy and he hated the looks of the Devil. He began to study the board where the men were placed, and all of a sudden he shouted: "Son, I have found a move, one move . . . if you will make that move you can lick the Devil." He forgot himself, he forgot it was a painting—he was so engrossed in it.

We see all the men of chess in the game of life there, and in some of our lives it seems the Devil has almost got us. We look at the whole world picture . . . it seems dark at times with its little bright intervals, but by and large the basic issues have not changed, in spite of the recent smiles on both sides of the Iron Curtain. We see the shadow of the hydrogen bomb and all the vast and terrible weapons being created behind scientific laboratories, and, as we look into the future of the next two or three generations, it seems that we are almost ready to say "Check Mate."

But I believe there is One looking down from above who looks upon the board and says to you and me: There is a move, there is one move that you can make, and you can win! That move is toward Jesus Christ. You can make that move today in your own souls.

"PEACE, FREEDOM, SOCIAL JUSTICE—INDIVISIBLE VALUES"

An Address by

DR. WALTER P. REUTHER
President of the United Automobile, Aircraft and Agriculture Implements Workers, C.I.O.

A Joint Meeting with The Canadian Club of Toronto

Tuesday, October 11th, 1955

CHAIRMAN: The President, Dr. C. C. Goldring.

DR. GOLDRING: Gentlemen of The Empire Club and The Canadian Club and Members of our Radio Audience: It is my pleasure now to introduce to you our speaker of the day—Dr. Walter P. Reuther.

After spending the early part of his life in Wheeling, West Virginia, Walter Reuther went to Detroit in 1926 where he worked in the tool and die room of the Ford plant.

In 1933, along with his brother, he embarked on a world tour which took him to eleven countries in Europe and Asia. They worked in factories and studied labour movements in the countries visited. Returning to Detroit in 1935. Dr. Reuther plunged eagerly into the task of organizing the automobile workers. The following year he was elected to the International Executive Board of the UAW and a few years later became Vice-President. He was elected President of the UAW-CIO in 1946 and the same year was elected to the office of CIO Vice-President.

During his career Dr. Reuther has worked to bring about collective bargaining, he has advocated employer-financed pensions and health insurance for union workers. More than one million members of the UAW-CIO have been covered by pensions wholly financed by employers and by health insurance plans for which the employer pays at least half the cost.

Dr. Reuther has pioneered efforts to eliminate discrimination in employment and in union activities.

Dr. Reuther holds many posts in labour organizations. He is Chairman of the National CIO Housing Committee and a member of the Executive Board of the National Association for the Advancement of Coloured People and of the Religion and Labour Foundation.

In recognition of his indefatigable efforts to improve the lot of the working man he has been awarded honorary degrees by six colleges and universities. In 1948 he received the honorary degree of Doctor of Laws from St. Mary's College of Oakland, California. In 1950 he received the honorary degree of Doctor of Laws from Boston University and also the honorary degree of Doctor of Humanities from West Virginia State College. In 1952 he received the honorary degree of Doctor of Humanities from Wayne University, Detroit, Michigan. In 1953 he received the honorary degree of Doctor of Laws from St. Francis Xavier University, Antigonish, Nova Scotia. In 1954 he received the honorary degree of Doctor of Humanities from Wilberforce University, Wilberforce, Ohio.

It is my privilege to welcome here today and to introduce Dr. Walter Reuther, President of the United Automobile, Aircraft and Agriculture Implements Workers, and a man who has contributed greatly to advancing the interests of Organized Labour. He will address us on the subject, "Peace, Freedom, Social Justice—Indivisible Values."

DR. WALTER P. REUTHER: Mr. Chairman and Gentlemen: I want to express my very sincere appreciation for your kind invitation. I am very happy to be able to visit with you briefly. I might say I just came from a meeting of the Canadian Congress of Labour. They are in convention in this same hotel, and I was asked why I was going to speak at this luncheon. I told them that I thought that one of the mistakes that the missionaries make is that they spend too much time among the missionaries.

I haven't a prepared speech so I would like to think out loud with you about some of the many complex and challenging problems that we face in this very troubled world of ours.

My subject is "Peace, Freedom and Social Justice—Indivisible Values." I believe that we can all agree that peace in the world in which we live is an indivisible value, that Canada, the United States or any other part of the world can enjoy peace only if peace is universal.

Freedom is the same kind of value. Human freedom is not an absolute value, it is something you can enjoy only in a social content, only in your association with other men. If we want to make our own freedom secure we must therefore make freedom universal, so that all men may share it.

I believe that social justice is another kind of indivisible value. In the world in which we live the forces of tyranny are able to forge poverty into power, they are able to take the desperation of hungry people and exploit them. Here again if we are interested in making peace and human freedom secure we must recognize the need to work in the vineyards to make it possible for people everywhere to enjoy a fuller and fuller measure of economic and social justice.

Now I note that your Mr. Pearson is in Moscow and I wish him well. I have just returned from a trip in Europe and the Middle East where I had an opportunity of talking with labour people, with industry people, with editors, with people representing church groups, trying to learn as much as I could about the changes in Europe. I came back believing that the Geneva Conference had made a contribution toward lessening world tension. This is a hopeful sign, and the free world must make the most of its opportunities. But I also returned believing that there has been no basic shift in the long range strategy of the communists. I believe that they are still out to dominate the world and I believe that Geneva essentially is but a shift in communist shifting tactics, and that we need to understand it as such.

Perhaps the shift in tactics has come about for several reasons. They have the H-Bomb, as we have the H-Bomb. I believe that everyone who knows anything about the H-Bomb must come to the conclusion that the H-Bomb has made peace a condition of survival. No one can win an H-Bomb war. Certainly, in the terms of the basic human and democratic and spiritual values that we as a free people believe in, none of those values can be salvaged at the end of an H-Bomb war. Perhaps the Russians know they can't win either.

General Gruenther spoke in New York some weeks back and he said, the Russians could not beat us in a nuclear war, and he added of course we cannot win either.

We had a rain last Wednesday in Detroit and it tied up traffic for three hours. I thought to myself, as I was trying to get through that traffic, what would happen if we really had an H-Bomb attack, and I came to the conclusion that peace, peace alone is the only defence against the H-Bomb. There is no other.

Now, what other reason had the Russians to shift their tactics? I believe too, the Russians think that in the cold war they were able to exert great pressures upon the free world, they created the kind of international climate in which the free world alliance came into being, with the common denominators of fear and hatred as the essential forces that bound the free world together. The Russians figure if they can ease world tension, if they can get the free world to relax they can begin to diminish the fears and the hatreds that bind us together. Thus they hope the free world will return to business as usual with each free country going its own separate way with commercial rivalry, and intense economic competition straining our relationships. Then they plan to move in and exploit such division.

The great challenge that I believe we face in America, in the United States and in Canada, in conjunction with our allies and our friends throughout the rest of the free world, is the question, are we capable, intellectually and spiritually and morally and politically and socially and economically, are we capable as a free people, of creating positive peacetime common denominators in which common hopes take the place of common hatreds, in which common faith takes the place of a common fear, so we can develop positive common denominators that will bind us together more firmly?

Frankly, the question is posed, are we capable of fighting as hard for the things that we believe in as we have demonstrated we are capable of opposing the things that we are against? If we are, the free world will get stronger and the basic strategy of the communists will fail. But if we aren't, if we cannot develop these positive peacetime common denominators, based upon common hopes and common aspirations and a common faith, then the free world can be divided as the pressures of fear and hatreds can be diminished—that is the great challenge.

I think we need to remain in a strong military posture because this is of world necessity. We need, however, to understand that the struggle in the world between the forces of freedom and tyranny, between the forces of communism and democracy, is essentially a struggle for men's minds, their hearts and their loyalties, and that this struggle cannot be won by physical power, no matter how overwhelmingly we may assemble those forces. In the final analysis we shall win the hearts, the minds and the loyalty of people everywhere only if we demonstrate the capacity to dedicate our economic and material resources to human betterment.

This is the first time in the history of human civilization in which science and technology have given us the tools of abundance with which to conquer poverty, hunger and human desperation. We are going to be judged in this struggle by hundreds of millions of people in the uncommitted portions of the world, who are searching for the answer to their problems. We are going to be judged not by the eloquence of our democratic slogans, not by how effectively we talk about the virtues of democracy, nor will they be impressed by the size of our national budget or the tremendous size of our material resources or our productive capacity. They will judge us by the only true measurement of the greatness of any civilization—by the sense of moral and social responsibility with which our civilization is able to translate material values into human values, by which we are able to reflect technical progress in human progress, human happiness and human dignity.

In this great struggle the communists have developed a technique of forging poverty into power and where people are hungry enough they move in. They promise them economic security at the tragic price of political and spiritual enslavement.

We have the challenge of proving that man can have both bread and freedom. That to get food in his stomach man need not put his soul in chains. We face this practical problem: can we forge the positive common denominators of peace that will bind free men together in common dedication, common devotion to positive values, and achieve the same dynamic drive that we do in war?

I happen to be one who believes that that is possible. We have seen great nations and great peoples mobilized in war. We have seen them fight together, sacrifice together and die together because they shared common fears and hatreds. We must ask ourselves why can't we get people marching, working and building together because they believe in the same positive values? That is the great challenge.

The free labour movement of the world I believe is one of the most important assets that freedom has in this positive struggle, this struggle to equate technical progress with human progress. The free labour movement of the world is in the forefront in the struggle against the immoral and ugly forces of communist totalitarianism, and all other forms of totalitarianism that would enslave the free human spirit. I believe labour is one of the most effective forces because free labour understands something about the social dynamics of our changing world.

Free labour understands and acts in the knowledge that the struggle for peace and freedom are inseparably tied together with the struggle for social justice. You cannot achieve peace or freedom in a vacuum—it must be achieved in the world in which people are hungry. It must be achieved in the world in which there is great social injustice and it must be achieved in the world in which people seek answers to simple basic human problems.

Look around the world tonight and in every country in the world where there is a strong free labour movement, a labour movement with courage and vision and a sense of moral and social responsibility and you will find that in those countries communism is weak and without influence, because the communists are unable to exploit injustice.

But then you find a country where there is no strong free labour movement—take Italy, where the bulk of the labour movement is communist-controlled, where it is used not to create social justice but to create greater strife and greater unrest. In Italy, the communists get 38 per cent of the vote, together with left wing socialists. Until you understand the phenomenon of a deeply religious peasant who goes to Mass in the morning and attends a communist rally in the afternoon, you fail to comprehend the areas in which communism builds its power. In Italy there is great poverty. There is lack of a strong, free labour movement and the communists are powerful.

Therefore, if you want to fight communism effectively you don't do it in the ivory towers where generalities are cheap and slogans are eloquent. You do it where people are hungry and where they search for social justice.

That is why we believe that the free labour movement is a powerful, constructive force and that free management must begin to give greater and greater attention to these basic problems.

I would like to raise some of the principles around which I believe that free labour and free management must approach the bargaining table in the effort to find answers to these basic problems.

To begin with, I believe that the crisis in the world is not essentially political nor do I believe that it is economic. I think essentially it is moral. We face a moral crisis because mankind has made much greater progress in the physical sciences than he has made in the human and social sciences. We know much better how to work with machines than we do with men. There is developing a great moral and cultural gap between the progress that we continue to make in the physical sciences and our lack of comparable progress in the human and social sciences. I believe we need to give greater and greater attention to seeing to it that with our developing scientific, technical and production "know-how" we develop a comparable human and social and moral "know-why." Material wealth, economic power without vision or morality is wealth and power without a purpose. We need to equate these economic factors, these great material resources, with basic human problems. To do that I believe that free labour and free management must begin to understand each other's problems and must begin to work toward a solution of these basic questions.

We are on the threshold of the second phase of the industrial revolution. The first industrial revolution merely substituted machine power for human power. The second phase, automation—machines that think—substitutes not only mechanical muscle for human muscle, but the machine now substitutes mechanical judgment for human judgment.

Is this good or bad? That depends upon what we do with it. If we gear this abundance now made possible to the basic human needs of the world community, then that new abundance can build a better world from which we shall banish poverty and hunger, ignorance and disease. We can usher ourselves into a period of world history where the human family, having satisfied its basic material and economic needs, can devote greater and greater resources to the promotion of man's growth as a social being, a cultural and spiritual being. This is the true means of life. We are more than a biological process, requiring certain economic needs. Yet, for the first time in human history we are in that stage where the question arises, are we equal to the challenge?

The communists believe that mankind must go through endless struggles. I think that Marx made his great historical mistake when he thought that the world would always struggle to divide up economic scarcity. The reason that Marx is wrong, as Adam Smith has been proven to be wrong, is that instead of struggling as narrow economic pressure groups to divide up scarcity, with one person or one nation having enough bread only by denying another person or another nation their share, we now have the great, wonderful opportunity, not of struggling to divide up scarcity but co-operating in the creation and sharing of economic abundance. If we but have the good sense to use the new tools of abundance for moral and constructive purpose then every one, every group of nations, can have enough of the good things of life to provide that measure of economic and social justice to which every one is entitled, and which science and the new technology now make possible for people everywhere.

Yet all of these things are not matters that can be solved in the abstract. Ultimately, you have to take generalities, economic theories and social philosophy and you have to apply them. You have to apply them in the areas where the problems are difficult. Peace and freedom will not be made secure by doing the easy thing. The real challenge to leadership in the free world is the capacity to tackle the tough problems, to solve the ones that are difficult, that are nasty. Yet those are the kinds of problems we have at the bargaining table. At the bargaining table you bring into sharp conflict the economic forces that are at work within a free world. Difficult as collective bargaining problems may be, I believe if both management and labour look at these problems sensible we can find the answers.

I would like to pose a number of principles I think ought to influence and guide the attitude of both labour and management at the bargaining table as they both search for common answers to these very challenging problems.

First, I think that labour and management ought to recognize fully and understand that freedom is an indivisible value. You can't have free management without free labour, and you can't have free labour without free management, and neither can be free unless they learn to work together to preserve a free society in a free world.

In terms of the basic values that we believe in, free labour and free management have a great deal more in common than they have in conflict.

Secondly, I think we need to understand that in a free society there is no legislative substitute for the voluntary acceptance and discharge of social and moral responsibility.

It is a strange thing that the very management people in the world who make the most noise about keeping the government out of certain areas of economic activity are the very people who by their failure to meet voluntarily their economic and moral responsibilities create the vacuum which government must fill.

There are only two ways to do things—voluntarily or under compulsion. When a problem needs answering and the people who ought to answer the problem voluntarily are unwilling to do so, they can create a situation in which compulsion from the government is inevitable.

Thirdly, we need to recognize that collective bargaining in a free society must be raised above the level of a struggle between competing economic pressure groups. Collective bargaining must reflect decisions geared to the interests and the well-being of the whole of our society for in truth neither labour nor management can make real and lasting progress excepting as they co-operate to facilitate progress for the whole of our society.

Fourthly, collective bargaining should be based upon a joint exploring of the economic facts and not based upon the exercise of economic power.

We have made great progress. It is encouraging that in the short period I have been associated with the labour movement, which will be twenty years next spring, we have made great progress in the automotive industry which has been my most specific responsibility. We came out of a social jungle. We struggled in 1937 and 1938, not for higher wages, not for better working conditions, but just for the right to sit down and talk about our problems. We fought for eleven months just to get a letter answered by the biggest corporation in America. For eleven months they refused to recognize the Union even to the extent of answering a letter.

We have come a long way. Workers in the factories have a greater sense of economic security but that is not the great achievement of the American labour movement. Wages are higher, their homes are better, their children are getting a better education. Many other economic and material gains have been won and the economic gains are important, but they are secondary.

Thousands and thousands of workers were nameless and faceless clock card numbers, completely dominated and absorbed in great factories. Through their Union, these workers have won a measure of industrial democracy, a place in society and a sense of belonging and participating. Through their joint effort, using their association within a free labour movement, they won a sense of human dignity and a sense of spiritual worth. This, and not the economic achievements, is the greatest contribution of the labour movement. This greater measure of economic security and this fuller measure of human dignity were not won without a full measure of sacrifice and struggle. Too often justice was won only after bitter and costly strikes.

A good case in point is the strike against the Kohler Company in Sheboygan, Wisconsin, which has been underway for more than two years. The UAW has done everything humanly possible to bring this strike to a conclusion on the basis of fairness and justice to both the workers and the Company. The Company continues in its refusal to negotiate, mediate, or to arbitrate the issues in dispute. They insist that the condition for settlement is surrender. They have proposed that the strike be settled by the Union agreeing to the discharge of 2200 workers who still remain on strike. No union, organized to protect and advance the well-being of its members, could maintain an ounce of self-respect nor morally be entitled to the support of the workers if it surrendered in the face of such a management attitude. This is not how to settle a strike nor to create the foundation upon which mutual understanding and mutual respect between labour and management can be developed.

Recently in Indiana we had another example of what happens to labour-management relations when reason takes flight and collective bargaining matters are settled by naked economic power. In this strike, as you undoubtedly read in the newspapers, martial law was declared. Here again the company had refused to negotiate, mediate, or arbitrate. Instead of meeting their responsibilities at the bargaining table and acting in good faith, the company chose to arm a small number of people whom they had within the plant. These armed management people from within the plant shot strikers outside of the plant. The strikers in turn went to their cars where they had hunting guns with which they returned the shots. Such acts of violence settled nothing for ultimately labour and management problems must be settled on the basis of economic facts and standards of human decency and morality. Everyone on both sides of the problem needs to recognize that in a free society, labour and management must sit at the table with a single set of economic standards and a single set of standards of morality.

We fought hard battles for pensions. I saw workers who when they got to the years of life when they couldn't buck the assembly line were thrown on the street to become public wards or to eat off their relatives. We believe that a worker who has made his contribution to our free society, who has carried his share of the world's work, when he gets to that place in life where he is too old to work but too young to die, ought as a member of a free society be entitled to a measure of economic security and human dignity. Yet workers were denied such security and dignity and we had to fight long, hard, bitter struggles to win what should have been had as a matter of economic and social justice.

I sat across the bargaining table, and I say this not with bitterness in my heart—I say it just because we need to be honest with ourselves, because before you can be honest with your fellowmen you must be honest with yourselves. I have sat across the bargaining table with the highest paid corporation executives in the world. Not too long back, I sat across the table with a man who makes $332.00 per hour. It was $312.00 last year—he got an increase. In 1949, I was representing people making an average of $1.50 per hour. When we raised the question of pensions to workers, so that workers could enjoy that measure of economic security and human dignity in the autumn of life to which they are entitled, we found that these corporation executives were operating under a double set of economic and moral values.

They said to me, "Mr. Reuther, why don't you tell your workers to save their money for a rainy day? If they save their money they don't need a pension."

I replied, "Do you realize that workers who have worked and saved for years can have one sickness in their family and can wipe out all their savings?"

I said to them, "How can you tell me it is wrong for the worker to expect a privately negotiated pension plan to give him security in his old age? How can you expect him to save, when you sit across the table getting over $300 per hour, and yet your board of directors have provided a $25,000 per year pension for you when you are too old to work or too young to die?"

I say these double standards must go for they are incompatible with the values upon which we have founded our free society.

The degree of social progress and economic betterment is not a matter which either labour or management can arbitrarily determine. They must of necessity be a reflection of the level of our technology and the productiveness of our economy. Free labour seeks the achievement of the maximum social progress and economic betterment consistent with the full and intelligent use of our economic resources and our productive "know-how".

We believe that the underlying problem in our free society is the tendency to develop greater progress in the physical sciences, in the arts and techniques of production while failing to develop comparable progress in the human and social sciences, the art of relating economic achievement to human betterment. Ours is the task of finding a way to match our scientific, technical and productive "know-how" with comparable human, social and moral "know-why."

Unfortunately, as is the case too often, management groups resist economic progress and social change not because they are economically unsound or beyond our reach, but rather because they appear to be opposed to change for any reason. Earlier this year, when we first raised at the bargaining table the question of a guaranteed annual wage, certain management people began to pull their hair. Today, despite all the doubting voices who said that the principle of the guaranteed annual wage was unsound, the UAW has collective bargaining agreements covering more than one million workers in which the principle of the guaranteed annual wage has been established.

Our experience in the field of collective bargaining over the past five years has been both amusing and encouraging. In 1949, when we first raised the question of funded privately negotiated pension plans, these same management groups said that such funded pension plans were revolutionary and that they would destroy the very foundation of the free enterprise system because they would immobilize and instagnate large sums of capital. Today, less than five years after these agreements were incorporated into our basic contracts, these same management people are boasting about our pension agreements and they are telling the world that the funded pension plans are a new source of capital for expanding our free enterprise system.

In the light of this 180 degree shift in less than five years with respect to our pensions, I am safe in predicting that within ten years, as we build greater security and stability around the principle of the guaranteed annual wage, these same management people will wind up boasting about how wonderful the guaranteed annual wage idea is and while they are boasting about the guaranteed annual wage we shall be raising some other basic collective bargaining demands. This is how we make human progress.

One further idea before I conclude. We hear a great deal of talk in our world about free enterprise. The labour movement of the United States has never challenged the free enterprise system. We recognize that it has given us the highest standard of living of any group of workers in the world. Many times, however, under the slogan of free enterprise, business is neither free nor enterprising, and we do not hesitate to criticize such an arrangement.

France is in trouble today because they have a free enterprise economy in name, but there is little freedom and there is much less enterprise. Italy, to a lesser degree is in the same boat. What is their basic problem? They have been developing a highly cartelized system that rapidly holds down the levels of production while charging the highest price that the market will carry. Low volume and high prices victimize both the wage earner and the consumer. It is both economically unsound and morally wrong to extract high profits out of the economics of scarcity by restricting production artificially.

The key to our success and the key to our future is the achievement of the economics of abundance on both the production and the distribution end of our economic activity. Only as we achieve and maintain a dynamic expanding balance between greater productive power and greater purchasing power can we be certain that the growing abundance made possible by developing technology can be geared to the basic needs of the human family. Economic abundance is the golden key that opens economic doors. Only as we create and share abundance can worker, employer, and consumer all make progress together.

It is much easier to find a sensible and sane way to share a larger and larger economic pie. Yet, unfortunately, too often new ideas advanced by labour are rejected not on their worth but simply because they have been advanced by labour. Both labour and management must arrive at a place in their relationship—one to the other—where they will each be prepared to accept or reject a new idea not based upon its sources but based upon an honest and rational evaluation of the idea.

I would like to say to my friends in the business world that new ideas are an essential part of the growth of a free society and that while you are prepared to defend the free market place in which commodities are changed, you must also be willing to defend with equal devotion the free market place where ideas are exchanged. Unfortunately many people accept new commodities much more willingly than they are prepared to accept new ideas, no matter how sound such ideas may be. This unreasoned resistance to new ideas can seriously weaken our democracy.

During the past year I have had an object lesson from those few people in the United States who have been making an effort to repeal the Twentieth Century. They have been challenging every new idea that the American labour movement has put forth and since I have championed some of these ideas, they have characterized me as the most dangerous man in the United States because, as they have said, I am attempting to bring about the revolution without seeming to change the status quo.

I was accused by a congressman some months back of being more dangerous than all of the communist nations put together. I was not accused of being a communist, nor was I accused of being all-powerful. It was my ideas that were being challenged. I am not arguing against anyone's right to oppose anyone else's ideas. What I am urging is that the free market place of ideas be kept free and that labour-management people, public figures, and everyone be prepared to evaluate the other person's ideas on the basis of their worth and morality, honesty and soundness, and that they be accepted or rejected on the basis of these values rather than be pre-judged by the standards of prejudice.

I have unlimited faith in the future of free men and free institutions. I have unlimited faith that we can prove the communists are wrong and that free management and free labour and free people can find a way to work together so that we can gear increasing abundance to the needs of the human family and achieve economic security without sacrificing our basic political or spiritual freedom.

This is the great challenge before the free world. We in Canada and the United States who share a greater measure of freedom than any other people have a comparable responsibility. We need to understand that in the world in which we live freedom is not a luxury. Freedom, rather, is a tool to build with and a weapon to fight with.

I believe that free men, united in common dedication, can find the answers to common problems. I believe that somehow we can find a way in the world to get nations and people who have demonstrated the capacity to fight and die in war, motivated by their common hatred and common fears, somehow we can tap the great spiritual reservoir that lies deep within the human breast of every individual created in the image of God, and somehow we can begin to give outward expression to that great spiritual power. I believe we can begin to get people working and marching and building in the image of their hopes and their common faith and their common aspirations. If we do that I believe that peace and freedom and social justice, these indivisible values, can be made secure, and together with free people, together with men of good will everywhere we can build a better tomorrow, we can shape that better tomorrow in the image of peace and freedom and social justice and human brotherhood.

"BOOKS AND CANADA"

An Address by

EDWARD WEEKS
Author of "The Open Heart" and Editor of Atlantic Monthly

Wednesday, October 12th, 1955

CHAIRMAN: The President, Dr. C. C. Goldring.

DR. C. C. GOLDRING: The birth of a child is usually a time of rejoicing for the parents. According to reports, the fathers on such occasions sometimes show unusual hilarity. An event somewhat similar to the birth of a child is the publication of a book. On the day it makes its public appearance the writer surely experiences a sense of realization, high hopes, and perhaps some fears for the treatment which might be meted out to the book which is so real a part of him.

To-day, we welcome as our guest Mr. Edward Weeks, whose new book "The Open Heart" is being published in Canada to-day, October 12th. As in the case of a blessed event, we offer Mr. Weeks our congratulations and best wishes on this occasion.

After graduating from Harvard University and taking a post-graduate course at Trinity College, Cambridge, Mr. Weeks became a manuscript reader and book salesman. Since 1924 he has been associated with the *Atlantic Monthly* in various capacities. From 1927 to 1937 he was Editor-in-Chief of the *Atlantic Monthly Press*. In 1938 he was appointed Editor of the magazine and, under his editorship, it doubled its circulation. He became a Director of the company and in 1944 he was appointed Vice-President.

Mr. Weeks has written books and articles, he has conducted many lecture tours, and for two years he conducted a half-hour radio programme over Station WJZ. He has participated in many civic and public service activities and his contribution to culture and to community service has been recognized by eight universities who have conferred on him honorary degrees.

It is a privilege to present to this audience, Mr. Edward Weeks, author of "The Open Heart" and editor of the *Atlantic Monthly.*

MR. WEEKS: One of the rewards of age is in coming back, coming back to old friends and to new reunions in places you hold dear. Toronto has been dear to me since the spring of 1927 when I came here to participate in the dinner in honour of Miss Mazo de la Roche whose novel JALNA had won our Atlantic Prize. That was more than a quarter of a century ago, and since then there have been thirteen novels about the Whiteoaks, a family saga unique in American letters. It is small wonder that a family as loyal and warm-hearted as the Whiteoaks should compel the love of other families in Canada, the United States and Great Britain; but when the books were translated in foreign editions, in seventeen foreign languages the dispossessed—people uprooted by Hitler—displaced persons from all over Europe—came to regard Jalna, that imaginary estate in Ontario, as a sanctuary second only to the homes they had lost. No other Canadian author has ever had such an international following. To read the letters that come to her from Balts, Estonians, Hungarians, Germans, Czechs is to be deeply touched.

I came to Canada first as an editor; then as an angler seeking the wildness and challenge of your salmon rivers; and, today, in the unfamiliar role of an author. (Editors rarely write books.) On these many visits I have noticed some things that have changed, some things that are very different from our side of the border, and some things that seem as unchanging as Gibraltar.

My approach is usually by way of the Eastern seaboard, and across the border at Vanceboro, Houlton, or Presque Isle. As I pass through the Customs I know I am in a new country: The colours and emblems are different; the civility—your candid, fair-spoken civility—is different; you are not as spendthrift as we—that is the Scotch in you—and you seem so much more intent on obeying the law. These I call your constant qualities; they have not changed in my life time and I hope they never will.

The sense of right and wrong is deep in you and this I think is your English heritage. If there is a motor accident on a Canadian highway and someone is fatally hurt, do you know what happens? As soon as the injured has been attended to, the witnesses and the first Canadian Mountie to reach the spot go right to work to determine who was responsible. Yes, honestly. I don't mean that in the States we roll the bodies into the nearest ditch and drive on; no, we are more considerate than that. But there is a reluctance to serve as a witness and at the back of our minds is the thought that the insurance companies will straighten things out in the end, so why worry; thus the fierce urgency to determine who was right and who was wrong and that it shall not happen again is not as uppermost as it should be. This is surely one case where we can profit by your example.

In times past we have each nourished illusions about the other and it pleases me to see that some of these are now fading away in the mist. In Canada you have nourished the illusion that we in the United States were simply waiting for the most opportune moment to invite you to become our Forty-Ninth State; in short, that we had friendly designs on you. Some people among us did have that notion in times past but they were always a minority and today we have too much respect for your independence to believe in any such fantasy.

We for our part have nourished the illusion that Canada was a young country cousin, in the awkward stage and a little short of cash, but in the end he'd make out all right. Well, to my benighted countrymen who still think that way I feel like saying "Lord, how Cousin Willie has grown! You ought to go up and see him some time!" A friend of mine, a Bostonian who has oil interests in Texas and Canada, was speaking to a small group of us about some of the extraordinary developments in the Dominion and he ended with this: "You know what Canada is like?

It's like a really prosperous Texas!" When you consider that Texas is the richest and most resourceful of our forty-eight states, you will see that this Yankee was trying hard not to exaggerate.

Canada's new-found resourcefulness and her ability to speak her independent mind are among the most exciting things that have happened to our Northern Hemisphere in the Twentieth Century. When Canada quietly determined to go ahead with the St. Lawrence Seaway on her own; and when last March Mr. Lester Pearson, your Secretary for External Affairs, speaking to the Canadian Parliament, said that while Canada "could not stand aloof from a major war which threatened the very existence of the United States," he did not consider a conflict over the Chinese coastal islands to be such a situation,—in each instance we listened to your calm voice of independence and it did us good.

In a world of tumult such as ours your almost measureless resources provide reassurance and a solid foundation on which to build. More first-grade iron ore than we have in the Messabi Range, more hydroelectric power than you can possibly use for yourselves, uranium which will soon be processed at the rate of 10,000 tons a day, and in Pembina, the biggest oil field on this continent, three times the size of the East Texas field—and the end is not yet.

All this marks your Dominion as one of the coming nations of the future, a country capable of providing happiness for far more citizens than you number today. But I speak as an editor, not as an economist. What I want to know is the effect all this prosperity will have on Canadian Literature. It could be dynamic; it could enable more of your young people to venture into the arts; it could shake you free of certain old traditions and complacencies. I repeat—it could be dynamic.

Good writing is often provoked by change, and the more violent the change the more poignant the writing can be. During the second World War I visited the State of Utah and spoke at two of the Mormon universities. The Mormons are a bucolic people who prefer the quiet life of farming to the turmoil of big business. For decades they have been able to keep the lid on their iron, their coal, their copper; they did not want steel mills and smelters in their green valleys; but in the 1940's when the West Coast lived in fear of a Japanese invasion the Mormon country became our second line of defence, and the Government began the industrial development of its resources the Mormons would have liked to have kept hidden. As I travelled through the Wasatch Mountains I was reminded of that Welsh novel HOW GREEN WAS MY VALLEY, for overnight the face of the land and the way of life were being changed. The same thing is happening to you straight across your country. I see it when I go up to New Brunswick to fish. Guides and their sons who used to take such pride in our river are now driving trucks; the once barren acres of Labrador have become a mining community; the forests of Ontario are being opened up to new highways; oil wells are springing up in your wheat fields; new people are coming in. HOW GREEN WAS MY VALLEY with its note of regret is only part of this story. The big part is the opening of the country like the opening of our West which took fifty years to get into high gear and fifty years before it got into literature.

There is another theme very close to your hearts of which we hear far too little,—I mean the persistent growth of French Canada, your nation within a nation. Gilbert Parker, a Canadian who settled in London, first began to write about the French Canadians in the days of the vast Seigniories. After him there was silence, silence broken by Louis Hémon with his eloquent MARIA CHAPDELAINE. But that promising young novelist did not live to give us more, and again silence settled in.

What is the impact of the French Canadian upon the Scotch-Irish heritage of Ontario? There must be some intermarriage; there must be some humour in your contacts, at times even some conflict. Yes, of course, it is a sensitive subject; but it is also life, your life, and it is time that some of you wrote about it. I do not recommend *Abie's Irish Rose* as the best play Broadway has produced in this century, but there is in that comedy laughter, the spirit of reconciliation and an acceptance of human nature you would do well to remember.

From your seafaring provinces come too few books about the sea. One of the best of them I remember in recent years is Evelyn M. Richardson's WE KEEP A LIGHT, which was awarded your Governor-General's Medal and well deserved it. Her story of that tiny island of Bon Portage; of the care of the lamps, of the rescue of mariners washed ashore, of the teaching of the children, of the gunning parties in the fall, of the awakening to a sub-zero house and of the heavenly respite of Christmas and of Laurie's illness—all this is a homely, touching story charged with affection.

But think of your rugged coastline on the North Atlantic; where there are so many fishermen, could there not be another CAPTAINS COURAGEOUS or another playright like Synge? The Canadian Navy gave a splendid account of itself in the Second World War. Why is it that from Nova Scotia, from Halifax, from Prince Edward Island, from Newfoundland there has not yet come a story to compare with THE CAINE MUTINY or THE CRUEL SEA?

In the United States, where so many of the rivers are polluted and so much of the wildlife on the way out, we look to you as the one incorruptible guardian of virgin country. Your care of your forests; your ability to keep your rivers unpolluted and alive; the sanctuaries you provide for the great flocks of wild fowl—these are vital parts of your national responsibility which you may find it more difficult to maintain in the days of your new wealth. For prosperity has always trampled down natural beauty. But with your respect for law and your love of the wilderness, I have faith that you will hold your own.

And where will you find a more lyrical theme for your poets than in this great saga of your North Woods?

Your fine descriptive writers who paint in prose, men like Sir Charles G. D. Roberts, Farley Mowat, W. O. Mitchell and Roderick Haig-Brown have found their subjects in the tundra, the windswept prairie, the dark forest and the white water. So I am confident will your poets of the future.

I mean no disparagement when I say that the Canadian poets thus far—poets like Bliss Carmen, John McCrae, Robert W. Service—have written in a compliant English tradition. It was natural for them to do so. But in the days to come I believe you will produce a native poet who will break away from the past as sharply as Walt Whitman did; a poet who will never be mistaken for anything but a Canadian, and who will find in the challenging space of your prairies and forests his greatest themes.

Literature always follows after the pioneer and the plow. I realize how long it took us to bring our experiences into print. The prairie schooner started rolling West in 1848, but not until forty years later, in 1888, did Owen Wister find in Wyoming and Montana the source material for THE VIRGINIAN, that grandaddy of all Westerns. The Territory of Nebraska came into the Union in 1867, but it was another fifty years before Willa Cather could write her finest novels about this same country—O PIONEERS! and MY ANTONIA. The first oil well was tapped in Oklahoma Territory near Bartlesville in 1897, but it was not until 1930 that Edna Ferber wrote her glowing story of the Oklahoma Territory, CIMARRON.

I intend these words of mine to be a spur and a hope, for I know that writing takes time; and it takes a long period of assimilation, and it takes independence. You have the makings, and I believe that you have come to a time of ripeness. Fresh hope and expectancy are in the air; change is upon you, the power and wealth of an untapped land and the feeling of destiny that goes with it. So let the new books come—and soon, please, while I am still here to read them.

"THE THEATRE IN EUROPE AND THE AMERICAS".

An Address by

MR. FREDERICK VALK

Thursday, October 20th, 1955

CHAIRMAN: The President, Dr. C. C. Goldring.

DR. C. C. GOLDRING: I am one of those who tried unsuccessfully to secure tickets for the "Merchant of Venice" at the Stratford Festival last August. Others had a similar experience. The man who was chiefly responsible for this scarcity of tickets for the "Merchant of Venice" during the last few weeks of August is our guest speaker to-day, Mr. Frederick Valk, who played the part of "Shylock" at Stratford.

Mr. Valk was born in Hamburg, Germany, and, as a young man, became an actor in the city of his birth. In fact, with the passing of time, he was the leading actor in several of the principal theatres in Germany, including the State Theatre in Berlin. In the early Thirties, Mr. Valk left Germany and played in Prague, Czechoslovakia, from 1932 to 1938. In 1939 he went to England and first appeared in The New Theatre in London.

Mr. Valk has played almost all the leading Shakespearean character parts. In addition, he has played the leading role in several modern plays. This audience is probably familiar with his work in Canada, at Stratford and at the Crest Theatre, where he played in "They Knew What They Wanted," and will play in "Othello." He has performed in many films, among them being "Thunder Rock", "Dead of Night", and "Magic Fire".

It is a pleasure for the Empire Club to have as its guest a man who is recognized as one of the foremost actors of the English stage and who has established himself in the hearts of Canadians as well. Dr. Valk will address us on the topic "Theatre in Europe and the Americas."

MR. VALK: Every speaker worthy of his salt begins his speech saying that he is honoured to be where he is. If I say that, I really mean it. I don't want to say that any speaker who says this is insincere, this is certainly not the case. It may be a phrase but it is certainly not politeness with me. I am greatly honoured to have been invited by Dr. Goldring to appear here at your luncheon, and face the Canadian men and women of whom I have become increasingly fond.

I came over here in May with my wife and my two little boys who have since returned to London (England) and we had really had one of the most happy times of our lives. Canada and the United States were nothing but an idea to me up to now. Everybody is told so much of the way of living, the mental ideas of a foreign country, that he is curious to find out how these ways really go. But from the first step on the boat, I may say, I was surrounded by friendliness, goodness, and had a real welcome, and while I was at Stratford, people did all they could to make me feel at home. Here in Toronto I have suffered from my bosses, of course, but apart from that I am frightfully happy to play at the Crest.

Now it is said that those who talk so much on the stage shouldn't talk too much in private. No Artist should talk at all, he should let his work speak for him. Above all, I think, that talking, making speeches, especially in an illustrious assembly like this, is an art in itself. It was considered so by Greeks and Romans who had wonderful symposiums on one theme, profound philosophic matter, Art, Architecture, Poetry and music. This way of speaking of making speeches to friends, people, or guests, has not been lost altogether, it is highly cherished in English speaking countries — less on the Continent. To be called upon to speak at the Empire Club, succeeding many very illustrious men who had the ability and the knowledge to talk about special things, was quite a task for me. I have never made speeches before. I took the jump and had a dress-rehearsal with a speech at the Women's Press Club of Canada, where I was frightened to death, but they were very gracious to me and said it was all right, I shouldn't be frightened. So I take it a little bit easier today and I hope you won't stone me.

What shall I talk about? Everybody should only talk about things which he understands, and I think one of the very few things that I know a little about is the theatre, and acting, the art of acting—if it can be called an art—and the organization of the theatre . . . You may not always agree with my opinion, but allow me to speak in the way I think and feel about things. Talking about the art of acting: here I always feel, this is a subject so complex and in a way so profound that it is not yet entirely understood not even by actors. If somebody says acting is a second-hand art, he is right in a way. Not completely right. We actors are speaking the words written for us by somebody else and we live on borrowed emotion which we assimilate within ourselves and then project. But what somebody else did write has to be brought to life. Putting on a false nose and a synthetic face will not convince people that you are Edward the Third, or adding stuffing and sticking many hairs onto your chin won't make you a Henry the Eighth. All that is impersonation or performing, which is not acting. Acting is something mysterious and indeed something very profound. It just happens that an actor, if he is an actor—though he be a short man, can possibly play, say Don Quixote, who was supposed to be very tall. The actor really grows, he changes from inside and somebody who has to play a fat man, though very thin himself, gives the illusion of fatness. It is a mysterious act of transformation. Acting, as I see it, is amalgamation with the idea of the part, mixing it with ingredients of the actors' own body and soul, growing into the part by a sort of trance and trying to project that. It is not pretending to be something, not performing but just *being* the part. One has to *be* Richard the Third, Henry the Eight, or whoever it is. And finally begins the technical process of projecting the part into the audience. Only a few words about that. You have a theatre, holding say, a thousand people and you must project your Richard or your Henry into that room. If you do a radio-show, standing before a microphone, you project over a distance of about 2 yards, in the theatre the projection is over about 40 to 50 yards. It is obvious that all this is a matter of speaking technique, breathing and concentration. An actor must be able to control firmly his technique of projection. He must have two, rather three eyes. The inner eyes and the outer eye. Two eyes to see the idea, to imbue, to amalgamate the idea of the part; and a third eye which is before him, having the task to control himself. This third eye is the actors' conductor, controlling his projection with everything that belongs to it: Voice, facial—and bodily expression and the underlying emotions. The third eye continuously watching his own actor, is the all-important control-point.

You see, it is quite a complex thing and I maintain that the Art of Acting has not yet been analyzed. Lots of things have been said, but mostly about performing, or some form of presentation, but there doesn't exist any scientific analysis of the Art of Acting and if I use the word ART I mean it with all its implications: Form and Life! Every acting part contains not only emotion, violence, or sweet music of the heart—a form belongs to it as well. Nothing vague must be sent into the audience, only complete and clearly defined parts.

That is all I can say about acting at this moment, though I could go on for weeks. But I must say a few words about the theatre.

You all know how it began. It started with the Greeks and its glory, power and poetry has never been surpassed. You may have heard Sophocles talking to you in Stratford, Ont.

The Greek theatre was of course a religious celebration, profound and mysterious, clad in stories sometimes as melodramatic as a thriller. But these legends, these stories went to the roots of things, and Art is at the roots of things. You may choose other names if you like, you can call it religion, love or god, but if any writer is going down to the roots, holding in his hands the flaming torch, fetched from that source, he must have lived in the vicinity of Shakespeare. An actor who is blessed with the possibility to play Shakespeare is a person very much to be envied. There were the Greeks and the medieval church-mystery plays on the market places, burlesques originated in their rather crude and wild shows, and then the feudal lords took an interest in shows, had their companies assembled under their protection, sent them out or had them play in their halls for the pleasure of their guests.

Here we have the bargaining of the subsidized theatre. The great Elizabethean Lords patronized mummers and playrights. Later the Continental Princes did build their huge and beautiful court theatres, paid for the entertainment of their guests, provided funds, so that the actors could rig up their shows, have their costumes and a little pittance for food. They were not regarded very highly these actors and musicians. They were considered to be something like stable boys or lackeys and were treated with contempt.

There is a fantastic story of the 18th century. A Grand-Duke of the German Principality of Hesse—Cassel had in his Court-Orchestra a drummer with a salary twice as high as any of his colleagues. The drummer had no hair and the Duke from his box, directly above the orchestra pit, spat in regular intervals on the drummer's head during musical performances. And for that fact the drummer drew a double salary. Musicians and actors were kept like dogs.

Mozart has no grave. He was buried in a pauper's grave and nobody knows the spot. Many artists of world importance starved to death in Germany and all over the world. Shakespeare though, had enough sense, besides having the genius which he used to write his plays, to make a comfortable living.

Has this general plight altered very much? It apparently has altered, but not decisively. Let me first go on talking about the princes; you have at the moment in this town the "Comedie Française" which is nearly 300 years old and was from the beginning a subsidized theatre. Louis the Fourteenth made it possible for his privileged writer Moliére, who, by the way had not a very rosy life either, to play his plays in some royal hall which was put at his disposal, and from that the "Comèdie Française" developed. Royal money paid the company, it was royal money that fitted out the plays and very little royal money paid the immortal Moliére. And as Louis the Fourteenth gave the example to all Europe; Germany, Austria and Russia developed the fashionable idea, that the great Duke, the Prince, the Emperor, the King must have his Court Theatre, magnificently endowed, beautifully built, to entertain his guests — the populace was excluded.

Though entirely on feudal lines, this was a most important and wonderful thing to happen. It was the same spirit that provided the facilities for Michelangelo, Leonardo and a 1000 others to create. It was the great age of the patron which was followed by the Kings and Princes of the 18th and 19th Century, when every little princeling and every little king and emperor had his opera—or playhouse. 1918 many crowns rolled down into the sea and the Court theatres were taken over by the state, which considered it as a sacred obligation to keep these theatres going—for the benefit of the people. The state recognizing the educational and cultural importance of the theatre, placed it in the same rank as church and university and supported it. Further it was obvious that the theatre was above all a place of entertainment. Ideas are best digested if they are presented in a palatable way. You can say something profound in various ways: with a beastly seriousness, or in a battering way, you can say it jokingly, or in a frivolous way, but if the idea comes through clearly, every form is justified. Your man in the street, hearing in the theatre things of life and death, of God and the devil, of the above and beneath is not always able to take all that wrapped up in too rarified a form. That is the value of entertainment (among other things) the easy presentation of things, which are not easy at all. Every sort of entertainment, if it is in bearable taste, has the right to be put on to the stage. People are frightened away from the theatre if it is grim and serious, tragic, thunderous and pompous all the time. The Greeks understood that very well and threw their farces into the arena for the sake of relief. The Theatre has to be not only University and church but a place as well to find entertaining joy, relief and relaxation.

We have now, all over the European Continent Theatres which are subsidized by the state, by civic communities or other corporations. It is logical and a sane policy that the theatre should get support through public means. And it needs only a fraction of the amount which is spent on things like Transport, Health Service, Museums, Universities and other public institutions. The Vienna State Opera, destroyed during the war has been rebuilt and princely endowed by state means—not a bad investment at all. You see, it is by no means a Bolshevistic idea to let the state take over in certain cases. If the theatre wants to sell something which is of a good quality, it must have its price. But there is a limit to what the public can pay, therefore support must come from outside. At least until the theatre can stand on its own legs. Max Reinhardt in Berlin was in a position to keep his theatres without any state subsidies, but he had to fight and to borrow money. And so had Stanislawsky with his Moscow Arts Theatre. There had to be funds to keep the theatre going until the public had taken it to its heart. No museum could exist on its own if you asked say $1., or $2., from the people for the privilege to see the skeleton of a dinosaur. The public wouldn't come and without state-support the museum would have to be closed. It's exactly the same thing with the theatre and it is to be hoped that no Dinosaur skeleton will ever appear in a Canadian Theatre.

But the Canadian theatre has to live and no state-aid is at the moment apparent. So the support has to come from the paying public. Canada is a young and wonderful country. Canada can look forward to an exciting future. It has immense riches, unheard-of possibilities. Because of its youth it had no time yet to build up a theatrical tradition—it had to look first to the development of its industries and its material basis. The Canadian theatre will come quite logically, you can't live on lumbering and industry alone, the muses have to come in. I am happy to have played at Stratford—it was a revelation and I am happy to have met Murray and Donald Davis, the directors of the "Crest" Theatre here in Toronto. Here are 2 young men to do it, to build up a theatre, a Canadian Theatre. They have established the "Crest" Theatre. They are presenting plays of choicest taste. They pay the greatest compliment to their Canadian countrymen, in giving them not the cheapest, but the best and I think that we have here the beginning of the Canadian theatre. They, more than anyone else need all the support they can get.

I am profoundly convinced that Canada's theatre has a future, because I see how the people take to it, with their minds, thank God, uncorroded by over-sophistication, with their spirit of mentally well-built children. Look at the faces of the people and you are bound to come to the conclusion that the Canadian theatre is a necessity. Time marches on—unforunately—so may I end with this wish: As you all are prepared and open for the blessings of the theatre (I can't think of any state of any cultural stature, without the theatre) may you get it and may you get it from Toronto and I think you may get it from Murray and Donald Davis.

“CEYLON AND THE COLOMBO PLAN”

An Address by

COLONEL JAMES JOSEPH HURLEY, O.B.E.
Canadian High Commissioner in Ceylon

Thursday, October 27th, 1955

CHAIRMAN: The President, Dr. C. C. Goldring.

DR. C. C. GOLDRING: The United Nations was ten years old a few days ago and this week has been proclaimed United Nations Week in the city of Toronto. The principles and politics of the United Nations are worked out in a variety of ways, and one of the organizations, which is not a part of the United Nations but which has been initiated by the countries of the British Commonwealth of Nations to assist certain countries in Asia, is the Colombo Plan. Both it and Ceylon have been much in the news during the past week.

At Singapore last Friday it was decided to continue the Colombo Plan for five more years and Mr. Lester Pearson, representing the Canadian Government, spoke of the accomplishments of the Colombo Plan and of Canada's interest and increased participation in it. According to the press, Mr. Pearson promised Canadian help in providing an atomic reactor in India and a Cobalt radioactive bomb in Burma for cancer treatment. These gifts, I understand, will be over and above Canada's annual contribution of $26,000,000 to the Colombo Plan. You will be interested to learn that there are between twenty-five and thirty Colombo Plan students from Asiatic countries in attendance at the University of Toronto this year. Under the Colombo Plan, Canada will soon finance and conduct a ground and aerial natural resources survey of Ceylon to locate sources of potential wealth.

With the current interest in the Colombo Plan and in developments in Ceylon, we are particularly fortunate to have as our guest speaker to-day, Colonel James J. Hurley, O.B.E., Canadian High Commissioner to Ceylon.

Col. Hurley is a native of Brantford and served with the Armed Forces in both the First and Second World Wars. He joined the External Affairs Department in 1947 and after service in Berlin, Detroit and Ottawa, he was appointed High Commissioner to Ceylon in June, 1953.

We are pleased to have Col. Hurley, the High Commissioner to Ceylon, with us to-day. He will address us on the topic "Ceylon and the Colombo Plan".

COLONEL HURLEY: Mr. President and Gentlemen of The Empire Club: This is a good day and I am privileged, I feel, to be addressing such an excellent organization. I have long heard of The Empire Club of Toronto and on several occasions I have been fortunate enough to be invited to attend by some of my friends. On such occasions I have been very greatly impressed by the size of the Club, the quite evident quality of its representation and your ability to attract good speakers. It may well be that after today your reputation along one of these lines may be slightly tarnished, as I have severe critics.

There are five men in the room who were in the same unit in the First World War. Three of them sit over there and one of them sits here, and I was the junior member, and I have known them for a good long time. So if today you are not satisfied, put it down to their early training.

And one other thing: I am indebted for my attendance to Arthur Inwood, a Past President of your Club, and George Cockshutt of Brantford . . . a new friend and an old friend.

I have an affiliation of sorts with your Club. I am a member of the Royal Empire Club of Ceylon, and I noticed today, when I was presented with this book, a very well worded aim of the Club: "The strengthening of the bonds of unity within the Empire. This mutual objective is prosecuted with vigorous enthusiasm. . . ."

Well, I can tell you I am vigorously enthusiastic. Gentlemen, I am your humble servant . . . perhaps not as humble as you would have me be because I actually revel in the job I have. To represent this wonderful country and this people abroad is a very pleasant and easy task and a rewarding one. I don't mean rewarding financially. It is not financially rewarding, because public servants, while they become fluent at times, never become affluent. But if one has no financial ambitions it is indeed a rewarding job.

There is no country in the world today that enjoys the reputation that Canada does and many of you. . . . I don't need to tell you this . . . many of you who travel abroad on a Canadian passport realize, as soon as you produce that passport, that doors are open for you and you are welcome and you are liked and your way is clear and easy and you come home with a sort of inner glow of satisfaction that you are a Canadian and belong to this country, this country which is just beginning its era of importance, let us say, and is beginning to speak on the international stage with a strong voice and to be heard. It is a great satisfaction to be a Canadian and to belong to Canada.

I represent you abroad diplomatically, which is easy and pleasant. I represent you commercially, which is pleasant but more difficult. And I represent you on the Colombo Plan which is indeed interesting. It is an excellent education and I am sure that you are all supporters of that Colombo Plan.

Now, to begin with, let me get oriented for those who are not quite sure just where this little place, the City of Colombo, and the Island of Ceylon is. Let us orient ourselves. Ceylon is an island, very small . . . on the map it looks almost like a period. It is about the size of

Nova Scotia, 25,000 square miles. For the moment, visualize me as the map of southeast Asia, with India coming down to the southern extremity . . . let us say I am the point. On my right and your left, the Arabian Sea, the northern part of the Indian Ocean. The great bays of the Arabian Sea on your left, and the Bay of Bengal on your right . . . Africa, Ethiopia, and the Gulf of Aden. Then a little farther north, the Persian Gulf and Southeast Asia begins . . . Iran, Persia, Afghanistan, part of Pakistan, India . . . and coming down here, the Bay of Bengal, Burma, Malaya, Singapore . . . and on around the corner, Indonesia, Thailand, China, Viet Nam . . . and away up north, Russia.

The experts say there are 2,500,000,000 people in the world today. I suppose that is an approximation. There are about 1,400,000,000, or well over half, in that area.

Let us go over this again: Iran, about 15 million; Afghanistan, 15 million, Pakistan, West and East, 80 million; India, 370 or 400 million; Burma, 20 million; Malaya, 5 or 6 million; Singapore, 1 million; Indonesia, 80 million; Thailand, 20 million; Laos, Cambodia and Viet Nam, about 30 million; China 500 or 600 million; Russia, 200 million, plus. A lot of people.

Ceylon is down here at the southeastern extremity. There were 8 million people when I left . . . a little better than 8 million. Ceylon has the highest birth rate in the world. Heaven only knows how many people will be there when I return.

It is a beautiful island . . . very tropical . . . six to nine degrees above the equator, with a very temperate climate . . . an 85 mean temperature throughout the year, and it is a colourful island . . . beautiful in trees and flowers. A very pleasant spot. There is no shovelling of snow, no slipping on icy streets.

The Island of Ceylon has been independent, as you know, since 1948. It was formally a British Colony, from 1796, and formerly a Dutch Colony, and formerly a Portuguese Colony, and formerly a country ruled by a variety of kings and races.

It is constitutional democracy . . . it has a written

Constitution and follows the British pattern. It has a House of Commons which they call House of Representatives, of 101 seats, it has a Senate of 30. They have a Governor-General and have now their first native born Governor-General, His Excellency, Sir Oliver Ernest Goonetilleke.

British pattern, British in tradition, the Civil Service has British training and they owe a great debt to the work done by the Britisher out there.

It is a delightful island, populated by delightful people. There are two major races . . . the Sinhalese and the Tamils, both of Indian origin. The Sinhalese are the earlier settlers . . . they have been there about 2500 years . . . and the Tamils the latecomers . . . they have been there 800 to 900 years. They are both Indian in origin. There is a vestige of the original inhabitants, called the Veddhas. I don't know definitely their origin . . . some think Polynesian. At any rate, there are very few left . . . they live in rural and mainly inaccessible areas.

There is no great conflict between the two races, the Sinhalese and the Tamils. One is brown and the other slightly darker, but neither race is Negroid. They have a high bridged nose, somewhat along the style of my own, and they are charming people.

I don't want to go into it too much, but want to get to the Colombo Plan, for your benefit and my own. I brought along a list of some of the names. When I first went there I was struck by the musical nature of their names. Some are multi-syllabic and flow along like a stream. There is a regular pattern in some of their names of beginnings and endings.

For example, in the beginnings there are a lot of Jayas, and a lot of Amers, and a lot of Goones. The Governor-General is Sir Oliver Ernest Goonetilleke.

There is music in these names and I hope you will excuse me if I read some of them: Jayaratne, Jayawickreme, Jayawardene, Jayasurya, Jayasekera, Jayamanne, Jayatilleke. You can see the endings . . . ratne, wardene, sekera, tilleke, sureya.

And these: Gooneratne, Gunawardene, Gunasekera, Goonatilleke.

And the Amers . . . Amerasekera, Amerasuriya, Ameradasa, Amerawickreme.

On the island the cities and towns and villages have the most musical names. I can quote a lot of them from memory and perhaps miss a few. On the east coast there is a British naval base called Trincomalee. There are places called Tissamaharama, Haputale, Kuranagela, Bandarawela, Kolluptiya. And the ancient cities . . . Sigiriya, Polonnarua.

They are musical names and I had quite a time learning some of these names so that at the receptions I could say, "How do you do, Mrs. So and So" and "How do you do, Mr. So and So.

The Prime Minister is Sir John Kotelawala who lives at Kandawala near Ratmalana and he is a forceful character. The former Prime Minister was the Honourable Dudley Senanayake, the son of the original and the first Prime Minister of Ceylon. Dudley Senanayake is a priest-like fellow, who is advocating prohibition. He is quite a friend of mine, which is a rather astonishing thing because our interests are somewhat wide apart, but he is a nice fellow. He fell foul of a bit of a riot and trouble with his Parliament so he gave over to Sir John Kotelawala. Sir John is a forceful man who visited Canada in December 1954. He is pro-Western, and the Government is strongly entrenched. The United National Party which he directs is pro-Western. He will have nothing to do with the Iron Curtain countries. He says so bluntly . . . you can't come. He deals with China. You have heard of the rice-rubber deal. They wanted to send a delegation . . . he said, No, we will sell you rubber and buy rice . . . we won't have anything to do with you until you learn to behave. In the main he is a good strong, firm hand to have at the head of any country. I like him. I call him "John Lionel, the Peacemaker". He laughs . . . he is a great extrovert . . . he loves it.

There have been three influences on names, quite natural ones. There is the Portuguese influence from which some of the names come . . . the De Silvas, Perera, Peranda, Peries, De Soyza, De Mel, Corea, and Gabriel . . . and I have some of them in the office. And there is the Dutch influence, and we have the Spittels, the Kalbs, Abrams and the Van Langenburgs. There are those names, but mainly the people of the country have their own names and some of the Portuguese and Dutch elements have gone back to the old Sinhalese names.

Some of the people of the island have the same idea as all the small countries of the world, and there is a quite a natural inclination to run their own affairs. They want to make their own mistakes. They want to form their own government. They want to run their affairs in their own way.

Ceylon was particularly fortunate when independence came that they had a trained Civil Service. Pakistan did not. Burma did not. They are suffering from that lack. India also had a partially trained Civil Service, and they are just beginning to realize the benefit of the British stay in that area because they are enjoying all these things that were set up during the British regime. The people of Ceylon, want to be introduced into all the businesses. They have a nationalization plan in which they want their own people in the business level of executives . . . a natural feeling, indeed . . . and they are restricting their businesses so their economy may be balanced.

They are having a difficult time. They do not grow enough food to feed their population. They import some 240,000 tons of rice a year, despite the fact that they grow rice all over the island.

The island in the southern portion is mountainous. It goes from sea level to 8,000 feet in the southern part, and it is an astonishing thing that the modern engineers who have gone to Ceylon for the United Nations agencies and the Colombo Plan, when they see the engineering that was done in retaining the water and irrigating the dry portions of the island, they are astonished at the engineering ability of the Ceylonese. They say if they were doing the same thing today, they would put the tanks, the lakes or the channels in exactly the same spots.

So they did in ancient days have an engineering ability which is astounding.

They have a managing ability now which I think is an astounding thing today. They are interesting and charming people to meet, and they have their heads set in the right place and they will develop.

They have a charming country which is going to become the Switzerland of the East, and is already becoming so. Many, many tourists, and many people from Europe and the United Kingdom, particularly, are spending their winters there, away from the rigorous climates, and it is a delightful spot.

We are assisting. I will get to that later. Our main interest was one of representation. When Ceylon became independent we wanted representation in every Commonwealth country and we now have it. I am delighted to be the first chap sent to Ceylon. It is a very pleasant job, indeed.

Our interest in the future will be in these 1,400 million people. It is difficult for us now. Commercially, there is very little opportunity for us because of restrictions on importations, and their associations with the sterling area and, of course, the difficulty to earn dollars. They do earn dollars from us . . . quite a lot of dollars. Our trade in 1952 with Ceylon, our purchases from them were in the neighbourhood of 14 million dollars. In 1953, a little over 12 million dollars, and last year, in 1954, we bought just about 8.5 million dollars worth of tea alone.

Their economy is based on three main pillars . . . tea, rubber and cocoanut, and many subsidiaries . . . spices, fruits, vegetable oil and fibre from the cocoanut.

I want Canada to be represented commercially more strongly out there for the next hundred years, and I am sure that your interest will grow and will benefit us both . . . both Southeast Asia and Canada.

Our interest, of course, from the Colombo Plan angle is one of assistance. The Colombo Plan's aim is to assist with the economic development of Southeast Asia and up to date most of our effort has gone toward helping three countries . . . India, Pakistan and Ceylon. I deal with Ceylon only, where you are spending about two million dollars a year and I can tell you right now it is being wisely spent and it is doing an immense amount of good, real good.

I have a list of the projects here, many of which I know from memory, and that I keep my finger on, and I learn about them, and I talk to the Ministers about them. I go and see them and I am in touch with them all, and they are all being well administered.

For example, five diesel locomotives were sent to the Ceylon Government railway lines, and they are, they tell me, the best machines they have. They will ask for more. The Assistant General Manager of the railway, had come to Canada by the Pacific Coast and he had travelled from British Columbia, through Saskatchewan, Alberta, Manitoba and to Ontario, where they were made, and when I handed the diesels over to John Lionel the Peacemaker he told me they were going to name the five locomotives after the five provinces. I promptly told the Department of the External Affairs that the locomotives were to be named British Columbia, Alberta, Saskatchewan, Manitoba and Ontario. However Manitoba was left out and Quebec substituted. There was immediately a scream from the Winnipeg Free Press . . . What have we done? The Prime Minister, John Lionel said, Well, there is a very simple solution. You have ten provinces, haven't you? Give us five more.

In this year's programme they have asked for three more and they will undoubtedly ask for more next year. I hope that will lead to the purchase of diesel locomotives in the future for Ceylon. They have proved themselves out there.

They have one of the most wonderful ports you will ever see if you come out there. It is a beautiful affair, but up to now most of the unloading and handling of cargo has been done by tender . . . an uneconomic and slow way of handling. They have built three quays, one completed and two almost completed. They built a quay with only two berths alongside first. The Queen Elizabeth

Quay will have seven births, and the Delft Quay, some six more. They named one after the Queen, who visited Ceylon in 1954, and on the Queen Elizabeth Quay will be eight six-ton cranes from Canada, operating to unload cargoes and in future years they will undoubtedly ask for more . . . they have asked for more in this year's programme.

The airdrome at Ratmalana is near John Lionel's estate, and we are providing communications for the airport.

Rural roads are built by us by supplying Ceylon with a commodity which they sell and apply all the funds to that particular project.

When Nik Cavell, your Administrator in Canada of the Colombo Plan, came out, we went to three villages to see the opening of some of three rural roads and if you could only see the joy of these people and their thankfulness and the way they express it and their quite evident need for those roads, it would be rewarding in itself. They are just as enthusiastic as they can be over Canada's efforts to open up the inaccessible parts of the island, and provide them with roads and as grateful as they possibly can be.

One was a magnificent show. They had a parade and it took a long time . . . there was flag waving, and they had pandals in arches across the road, and the people expressed their gratitude in no uncertain terms and we understood what they were trying to express despite the fact we didn't understand all they were saying.

That is one of our problems. We have two people out there working on the Colombo Plan. One is really under F.A.O. . . . who are outstanding representatives of Canada . . . the best representatives of Canada I have ever seen in my life. One is Dr. Gordon McRostie, from the Ontario Agricultural College who is directing a project at the University of Ceylon. The University of Ceylon is being built, and is now well under way, in the Valley of a river called the Mahaweliganga. No finer site have I ever seen. The faculty houses and bungalows are built up on hills, all the university buildings and the library and the sports grounds are down on the level of the valley. The grounds are beautifully landscaped, heavily treed, and Dr. McRostie is setting up for them a Faculty of Agriculture which, strangely enough in an agriculturally based country they have never had and he is introducing agricultural research. He is one of the finest chaps I have ever known and he is beautifully equipped for such a job. He is not too young, he is not too aggressive. He hasn't the North American reputation for impetuosity and aggressiveness that unfortunately some of us have. He is reserved, he is untiring, he is sympathetic, he is tolerant . . . and he is understanding and he approaches them in just exactly the right fashion and they love him.

The Physical Director is Brant Little. They call him the Director of Physical Education. Brant Little was born in Brant County which is very close to where George Cockshutt and I live.

The other chap I speak of is, Professor Evan Hardy. Professor Hardy is from the University of Saskatchewan. He is superannuated, and is now in Ceylon under FAD as an Agricultural Engineer and he really does engineering, he is always out in the field. Everyone on the island knows him. He is now in the Galoya valley directing a Technical School.

A devoted fellow is Gordon McRostie. He is not a playboy . . . he is a devoted exponent of what he is there for. They like him and they are grateful to Canada for the type of individuals sent out.

Evan Hardy is interested in the agricultural development and he is helping with the irrigation of the dry area, the introduction of pumping equipment and investigations generally on Agriculture and the Technical School.

Our fishing project is the biggest work and we are spending over a period of years some two million dollars on that project alone. We have built a harbour and I can send some photographs of the harbour when it is completed. It is almost completed now. The trawler G, the trawler you gave them and the trawler they bought, and trawlers that will come in the future, will come right alongside the quay, and they will be protected from the monsoon winds by a great breakwater. They can be unloaded, refuelled, and the maintenance done right there. Fifty feet away will be a cold storage plant with a conveyor belt on which the fish are unloaded and brought to the plant.

There is also a by-products plant which will use all the waste material, and there are refrigerator trucks to take the fish to the different parts of the island. There are refrigerator display cases to put the fish in when they reach the market.

This is all being done by Canada, and it is being run by a chap called Bill Lantz, from our British Columbia Department of Fisheries and Research.

We now propose to do an aerial survey of Ceylon.

We have been very fortunate in the type of individual that has been sent out there by the United Nations and the Colombo Plan. The Colombo Plan is one of the finest things in the world, and I do hope all of you support it, and actively support it.

Up until this fiscal year we have been contributing each year $25,400,000. There are two divisions in the Colombo Plan . . . one, capital assistance, and on the other side, technical assistance. . . . $25 million on the capital side, and $400,000 on the technical side. The technical assistance is the part the President has already told you of. There are two divisions . . . the introduction of experts in Ceylon, India and Pakistan and the other countries, to advise on and direct projects, and the bringing of trainees from these countries to your country and the other countries . . . to the United Kingdom, Australia, New Zealand, and our country, to be trained, and then to return to apply their newly gained knowledge in their own country.

This fiscal year it went up a little to $26,400,000, to provide a little extra technical assistance for the new members. In the area, as I told you, every one is a member, plus Japan and the Philippines. They are grateful, they are interested. You are helping them and it is help badly needed and that should continue.

Now, one thing more . . . I mustn't run over time. I have my job and there is Mel Carson there, who represents you in Sao Paolo . . . if that is the way you say it

. . . in Brazil. Mel and I are old friends. He has a job somewhat similar to mine. Why we enjoy our job, and why it is easy, and why Canada has this reputation that we have is because we are a small people living in a vast country, rich in resources, they tell us as yet undiscovered, and we are fortunate, and perhaps it is the humanitarian idea that we should spread our good fortune to other people. That is a good humanitarian objective, of course . . . excellent. But there is another reason. There are many other factors. I will only mention one or two of them. They have seen Canadians. They know Canadians and there is the excellence of our statesmen and people that have worked in the United Nations agencies, like Brock Chisholm, for example, and the chap that runs the United Nations Technical Assistance, Hugh Keenleyside. They are excellent people and they are representatives of you and they are working for you.

And then look at our Mike Pearson. I don't know what your politics are . . . I don't care . . . but Mike Pearson must appeal to you as one of the finest chaps that ever represented Canada abroad. He is not known as "Lester B. Pearson" . . . he is known as "Mike" Pearson.

It is the excellence of those people, and of our own Prime minister who came to Ceylon. He is human, he is understanding, he is tolerant, he is sympathetic, he is a real man and he was tumultuously received and they like him.

Through him, through Mike Pearson, through Hugh Keensleyside, through Brock Chisholm, they know Canada, and they say it must be a good spot. A lot of people want to come and live in our country. They think we are very fortunate.

Will you investigate the Colombo Plan and give it your active support because I think it is well worth your support. We should do more. It has been actively suggested by many people in Canada that we should do more. I think we should. I think we can afford to do more. We are very, very lucky people, and I am very, very glad to be a Canadian.

"THE HUMAN FACTOR" A PERSONAL STORY

An Address by

COMMANDER WHITEHEAD
President of Schweppes (U.S.A.) and the General Manager of Schweppes (Overseas)

Thursday, November 3rd, 1955

CHAIRMAN: The President, Dr. C. C. Goldring.

DR. C. C. GOLDRING: Our guest to-day has a distinguished record of achievement. Commander Whitehead is President of Schweppes (U.S.A.) and the General Manager of Schweppes (Overseas). During World War II, he served in the Royal Navy and rose to the rank of Commander.

After the War, he served in non-political positions in the Government of the United Kingdom. First he was assigned to the Ministry of Labour to advise on the resettlement of war veterans. Later he accepted a top administrative appointment in the Treasury at the time when Sir Stafford Cripps was Chancellor. In this post, the Commander advised both management and labour on human factor problems affecting industrial productivity, and was responsible for interpreting Britain's economic needs to industry.

During recent years, Commander Whitehead has travelled in many parts of the world in the interests of his company, which has expanded rapidly throughout North and South America, as well as carrying on business in France, Belgium, Malta, Gibraltar, Hong Kong, Kenya, Mexico, Ceylon, and India.

From his wide experiences in various fields of work, and as a result of his knowledge of conditions in many countries, Commander Whitehead is well qualified to speak on the general subjects of human values in relation to business and industry.

The Empire Club is always happy to welcome a guest from England. Most of us have seen Commander Whitehead's picture and some of us have seen him in action on television. Now we are happy to have him here with us and we anticipate the pleasure of hearing him address us on the topic "The Human Factor".

COMMANDER WHITEHEAD: At this stage in the development of the mechanical age, when automation is the current word and the progressive elimination of manual effort is the trend in industry, it is salutary for us to reconsider the growing significance of the human factor. There can be little doubt that more and more turns on man, the individual.

In war, despite mechanization and the introduction of new and fantastically powerful weapons and explosives, the human factor remains of supreme importance and continues to call for adjustment of outmoded points of view.

During World War II I had quite a bit to do with Naval training, officer selection, and morale problems, and I know that it was necessary and at times very difficult for some senior officers to adjust themselves to new concepts and to accept changes that were as inevitable as the march of time. 'Twas ever thus, no doubt. The traditional outlook dies hard.

Some of these concepts were not of themselves new, but the circumstances were and their application, their effect upon men who were called upon to bear the heat of the day called for a fresh approach, a reassessment of the human factor.

Take, for instance, the practice that gained ground during World War II of explaining exactly why and what it was all about to the men who were going to do the actual fighting. Field Marshall Lord Montgomery's North African departure from the norm in putting everyone into the picture on the eve of battle was emulated in other spheres and in other services. The effect upon morale was often staggering.

Some of you will have heard the Churchillian story, which certainly ought to be true, illustrating the Prime Minister's concern with this subject. On a visit to a certain command that had been slow to adopt this approach, Winston Churchill is supposed to have told a certain General that he thought there was room for some improvement in his communications—particularly between officers and men.

> "I've always taken the view, sir, that familiarity breeds contempt"

replied the General.

> "Without a certain amount of familiarity", said Churchill, "it would be difficult to breed anything at all."

In fact, of course, this was no new thing. Over a century earlier, in my own Service, Nelson had practised something very similar and I have little doubt that outstanding leaders of men, far back into history, have made for themselves the discovery that men fight better, with better heart, when they know why and for what exactly they are fighting. The attitude expressed by Tennyson's lines, "Theirs not to reason why, theirs but to do and die" is, of course, the very antithesis of this philosophy. We would appear to be struggling towards the light.

But, I don't propose to spend more time on war problems. I want to point up the significance of the human factor in a number of spheres of experience in which I have personally been involved since the end of World War II. I cannot offer you a skilled analysis of all the considerations that arise in each of these instances. This is essentially a layman's interpretation, a personal story. I shall endeavour to pick out a central theme and emphasise some of the main conclusions that I have come to as a result of this variety of experience.

During the year that followed the end of the war I remained in the Service to do a job, the need for which I had spent quite a bit of time and trouble pointing out to those above me.

It had been part of my assignment to make a study of the British Government's provisions for the resettlement of the servicemen, the sailor in particular; and I'd been responsible in part for setting up arrangements to communicate and explain these provisions to the men serving in ships and establishments all over the world.

Towards the end of the war I had toured the Pacific and East Indies Fleets to explain, primarily to officers, exactly what was planned and help them, in turn, to explain these things to the men serving under them—some of them 12,000 miles from home.

At the end of all this, I had come to the conclusion that the Government's enactments and plans for the average rating would probably be effective in dealing with the complicated questions that were likely to arise at the end of the war. Broken Apprenticeships, Further Education and Training, Reinstatement in Civil Employment, and other such acts and provisions seemed to take care of the foreseeable problems. But what of the officer? Particularly the man who had developed and displayed qualities of leadership and skills that could not be easily defined, but which would be nonetheless necessary in industry and commerce in the Post War World. Translation of service qualifications to a civilian environment had always been fraught with difficulties; but to make the best use of the talent that had been evinced, particularly amongst younger men who had been given an opportunity to develop latent qualities of leadership, was, to my mind, essential from everyone's point of view—not least the officers themselves.

The official channel through which these men were expected to seek their niche was the Ministry of Labour Appointments Office; Service Departments, including the Admiralty, were not regarded as being officially concerned. Should the Admiralty, in its own interests, not concern itself? I thought so. I foresaw real difficulties and, having stated them to my superiors and made specific recommendations, I eventually found myself landed with the job of doing something about it.

During the year or so that followed I interviewed and endeavoured to help hundreds of naval officers, mostly reservists like myself, and I did what I could, within and without the "official machine", to help them. I made independent efforts to "sell" N.O.'s to industry and commerce—starting with concerns in which ex-Naval Officers were Directors or in positions of influence.

In the course of this work I made a few discoveries; some of them rather obvious; some that underlined the needs I'd had in mind at the outset. The men who had most to offer in the way of degrees and civilian experience, were, of course, much in demand and presented little difficulty. Industry was quick to snap them up. But the men who were not so equipped were very difficult to "sell". The difficulties were obvious, of course. Those who had vacancies preferred to play safe and wait for a candidate with the accepted paper qualifications, rather than take a chance with one who had not.

The situation was often aggravated by the shortcomings of the candidates themselves. They were not practised in the art of presenting themselves and often lacked the capacity to strike a responsive note in the minds of those who interviewed them.

Time does not permit me to attempt to analyse the many factors bearing or deal, in detail, with improved methods of selection such as the "Country House" or "House Party" method, adapted from the fighting services; but I want, here and now, to make one point amply clear.

Arbitrary rules as to minimum qualifications and methods of selection that do not allow full consideration of the individual — particularly that elusive personal quality that I call the "answering gleam in the eyes", that quick responsive spark that is found in all too few candidates—will bring in plenty of good average men. But in the process the employer might well be losing the future leaders he seeks; men of real capacity, men of vision, men with a rapid grasp of fundamentals, men with fire in their bellies.

Spotting such men in the embryo stage, seeing potential where it exists and providing the "culture" in which it can grow and develop are skills that are not easily come by. They are the very essence, the basic function, the very art of management—man management.

Improved selection techniques undoubtedly help but, at best, these are aids.

Since I compiled these notes I read in the New York "Times" the following:—

> "INDUSTRY ADVISED ON CHOOSING MEN
>
> An interim report of the Conservation of Human Resources Project, set up five years ago by President Eisenhower at Columbia University, has made two salient points: That vast reservoirs of talent will be wasted if too much reliance is placed on screening devices similar to those used by World War II psychiatrists.
>
> That industry should not sharply differentiate in its personnel practices between college trained and non-college trained job applicants. . . . It is explained that psychiatrists have concluded that too much emphasis was placed on too short a screening interview and that in the interview too much stress was put on nail biting, shyness and related traits.
>
> The report also explains that among those individuals with the most aptitude for learning—those who score in intelligence tests in the upper 6 per cent of the population—less than half are graduated from college. "The fact that such a high percentage of the best 'brainpower' in the country has not graduated from college has important policy implications for employers", the report says.
>
> "Any personnel policy which differentiates sharply between college trained and the non-college trained group is dangerous. The college trained group includes many individuals of quite average and perhaps inferior ability, while the non-college trained group includes many very able persons."

We are learning about things all the time. A few employers, individualists usually, used to say to me "I know you can provide many candidates worth a thousand a year here and now, but show me two or three to whom I can justifiably pay two thousand five hundred pounds a year, and I'll snap them up."

It is because the field here is pretty thin and because of the difficulties of selection that one hears so often top men of large concerns saying that the only limiting factor in the development of their business is manpower. And they don't mean for the middle echelon. It's leaders that are wanted.

I'd like to give you one example. I'm quoting facts 'though I'm changing the names, for obvious reasons.

Amongst the many young Lieutenants, in their late twenties, that came to me for advice and assistance was one I shall call James. His qualifications on paper were virtually nil; his liabilities were considerable—he had acquired a wife and son during his service in the Royal Navy; he had no money; he was spending the last of his gratuity supporting his family; there was another baby on the way. His qualifications were limited to a brief experience as a cadet, at sea, before the war.

However, James had what I have described as an answering gleam in the eye. I was convinced that he was the stuff that leaders are made of. I submitted his name, with details, to two or three employers and inevitably he was turned down because he hadn't got the minimum requirements—usually a second class honours degree. Then I went to the head of a large company, that I shall call Browns, and told him about James, saying I would stake my reputation on his suitability for training for a top management position. Almost as a favour to me James was taken on, with two or three candidates with the right qualifications, and put to work as an ordinary labourer in a large plant in the Midlands.

A year or so later, when I had left the Service, I happened to be visiting this plant in the Midlands and whilst being shown around by the manager I spotted James, working at a lathe with other men, indistinguishable except by his cheerful countenance. He caught my eye and we were about to speak when the manager nudged me and said "Don't notice him now, you will have a chance later". So I passed on and continued my tour of the plant.

Later that afternoon I was asked to return to the Boardroom, where I found James, with three or four other candidates that I had channeled in to that firm, invited to tea, schoolboy style, to say hello to me. I learned from James that he was living with his wife and two children in a small working man's house, with other workers from the factory on either side of him. He had not, like the other candidates, segregated himself and lived entirely separately, away in the city. The Manager told me that he was showing considerable promise, particularly in his ability to get on with other men; more, in fact, than any of the other candidates that they had taken on since the war.

Next I ran into James about another year later, when I was working at the Treasury in London. He told me that he'd been put in charge of an experimental division, details of which are irrelevant. It was clear that he was being given his chance to show his initiative and enterprise. He telephoned me a month or so later to tell me that he had hit upon a good idea which was working out happily as far as his experiment was concerned.

I didn't hear from him again until two years later. I had just joined Schweppes when I had a call from him and barely remembered who he was. He asked me to lunch with him as he had news for me, and I fixed the date for about three weeks ahead. I remember when the day came around and my secretary told me that a young man called James was waiting for me below, I had to keep him waiting for about ten minutes. When I joined him I was somewhat surprised to be led out to a large chauffeur driven car and whisked off to a smart restaurant in the West End, for lunch.

It didn't take long for me to learn the details of his progress. His Company had instituted a modification of the "Country House" type of selection procedure for the purpose of finding, amongst their own junior executives, a top man for the position of Sales Manager of the whole concern. Though James was by far the youngest candidate, he'd been picked. He told me that he was very surprised to find himself selected because he had not been able to complete some of the tests; but he had been forthcoming in explaining why the tests were not, in his view, entirely appropriate and, incidentally, beyond his experience. Quite obviously he had argued his case pretty effectively.

In the opinion of the Managing Director of the Company, I learned afterwards, James was head and shoulders above the other candidates, but because he was too young to be given the job of Sales Manager, he was made Personal Assistant to the Managing Director, who for the time being assumed the additional responsibilities.

I've dwelt at some length on this aspect of the human factor because I surmise that it is just about the most important single factor to you in this most promising field for new blood, in this land of opportunity, this Country with a big future, Canada.

During the next phase of my life, as Secretary of BACIE, a voluntary association or foundation of Industrialists and Educationalists, whose aim was to raise the level of education and training in industry, I had ample opportunity to observe other aspects of the human factor.

In this and my subsequent job, at the Treasury, I came into close contact with leading industrialists who were in the vanguard in developing and applying enlightened concepts in the field of human relations.

Starting with a somewhat idealistic view of these things, convinced of their worthwhileness for their own sake, I came, in time, to regard them with a more realistic eye. But I have retained unstinted admiration for those industrial pioneers who, for humanitarian reasons, fostered and influenced others to introduce, schemes for the continued non-vocational education of young people who had left school at an early age to work for them.

Many would argue that the proper development and general education of employees is no concern of the employer; beyond, of course, their training for the job. But, fortunately, there are and have been for many years those who take a broader view. A farsighted few realized that the future of Great Britain, the future of mankind perhaps, might depend upon our capacity to bring out the best that is in every man; to give each youngster a chance to develop himself up to the limit of his capacity.

If one subscribes, as I do, to the broad definition that an educated man is one who can entertain another, entertain himself and entertain a new idea, the worthwhileness of these endeavours is obvious.

The Education (or Butler) Act of 1944 effectively acknowledged the work of these pioneers and introduced many of the improvements they had been advocating for 25 years.

The ideal behind these efforts is difficult to put in a few words. It is best expressed, I think, in the lines of Nicholas Vachel Lindsay:—

"Let not young souls be smothered out until they do
quaint deeds and fully flaunt their pride.
It is the world's worst crime, its babes grow dull,
its poor are ox-like, limp and leadeneyed.
Not that they sleep, but that they sleep so dreamlessly;
not that they sow, but that they seldom reap;
Not that they serve, but have no gods to serve;
not that they die, but that they die like sheep."

'Though comparatively few employers in Britain were prepared to interpret, quite so generously, their responsibilities towards their employees, more and more were introducing enlightened personnel policies that were not only sound, from an ethical and humanitarian point of view, but paid, ultimately in terms of dividends. Moreover, many concerns came to realise that such schemes could be supported as enlightened self-interest.

As I discovered, particularly in my subsequent job, the concerns that had adopted such policies were more often than not the same ones that were making substantial increases in productivity—at a time when this was vital to Britain's recovery.

The successful introduction of improved methods, reorganisation, work study and other innovations that are sometimes unpopular with employees at the outset, went hand in hand with full explanation and a proper understanding and interpretation of the employees point of view. Upon perception of this fact often depended the success of such innovations.

Within these same organisations one found proper examination and the appropriate application of schemes that ensured security of employment; proper incentives; a well marked channel for promotion; facilities for joint consultation, for airing grievances and making suggestions; adequate recognition of status and authority, particularly of intermediate management; a clearcut chain of command, with no authority without responsibility and vice versa; education and training; pensions, health and profit sharing schemes. All these subjects were recognised for their importance and bearing upon that elusive question: What makes a man tick and give of his best?

Despite the fact that I was limited primarily to education and training I would not have relinquished my work with BACIE, in which I was happy in a field abounding with opportunity, had not Sir Stafford Cripps, then Chancellor of the Exchequer, persuaded me to accept responsibility for the task of explaining, and finding ways and means of explaining, Britain's economic needs to industry —management as well as labour.

Sir Stafford, whose contribution towards the economic recovery of my Country is seldom recognised, was an inspiration to work for. Regardless of party politics and the natural antipathy of usually Tory employers towards a Socialist Chancellor, I found industrialists, by and large, recognised his innate integrity and dedication to his task, and were therefore amenable to his efforts to inculcate some appreciation of what the trouble was and what had to be done about it. The Unions and the T.U.C. were not slow to appreciate this need; there was less reason for them to be.

With Sir Stafford's leadership we introduced TARGET, a Treasury publication that went free to every employer of more than a hundred men, in which case histories, drawn from a wide variety of industries, were presented month by month. In the early stages these case histories demonstrated what was being done in this firm and that, towards increasing awareness and providing incentives towards greater effort—not necessarily longer or harder hours of work but genuine effort directed towards the achievement of the Country's economic goals through full recognition of the contribution of the individual, working through his team, his firm and his industry.

We sought to encourage the practice of bringing workers into the confidence of management, telling them exactly how and why their efforts could contribute towards the solution of their Country's difficulties. We sought to encourage the idea which Montgomery had propounded during the war—that men work better when they know exactly what is expected of them and for what they are working.

Later, TARGET's case histories emphasised the less abstract contribution of firms that had succeeded in increasing productive efficiency, positive gains in output, from substantially the same resources. New capital equipment being non-existent, almost, this was an important contribution towards Britain's economic recovery.

It was during this period that I had the privilege of sitting in on the deliberations of the Human Factors Panel, under the Chairmanship of Sir George Schuster; this was one of a number of panels set up by the Chancellor of the Exchequer and the Lord President of the Council, to consider specific aspects of productivity.

Through TARGET and by addresses to groups of employers and Trade Unionists up and down the country, we sought to disseminate information on all aspects of this subject likely to be helpful in obtaining increased productivity.

During that time, and often since, I have been asked to express in a few words the fundamentals of a sound personnel policy. Assuming your interest, it might be worth passing on to you a concise sixteen point policy which I learned from its author, Thomas G. Spates, then Director and Vice President in charge of labour relations in General Foods Corporation and, more recently, a consultant on this subject at Yale.

Until the time I first heard Mr. Spates outline his policy at a Conference at Brighton, I had not referred, in the brief editorials of TARGET which I used to write, to any non-British examples of this kind, but my colleagues agreed that this should be the exception. This was clearly as concise and pithy a statement as one was likely to find. Time and space does not permit elaboration of this policy, but here is an outline of its sixteen major points:—

1. The practice of high standards of character and morality so that the institution stands as a source of inspiration which endows all other personnel practices with qualities of honesty and integrity. This practice helps everyone on the payroll keep his chin up when the going gets tough.
2. Provide everyone on the payroll with a written statement of principles of personnel administration consistent with the philosophy upon which our nation was founded, and act on those principles courageously in every situation.
3. Good leadership, motivated by high standards of administration rather than by expediency and exploitation. There are volumes of testimony and some scientific data to support the conclusion that the greatest single factor in the productivity of the individual is his mental attitude toward his boss.
4. Organisation concept and structure consistent with long-established standards affecting authority, responsibility, planning, co-ordination, control and channels of communication. Developing a personnel program without a sound organisation structure is like putting frosting on a poor piece of cake.
5. The designation of a well qualified person in the highest level of general management to specialize in solving the problems of people, and to help see to it that all the practices of the code are made effective. This person should be selected according to standards of personal and technical competence, no less than those required of other important members of general management.

6. The practice of satisfying the desire for participation, by means of consultation and explanation, both up and down, through all echelons of organisation. If one were forced, under pain of severe punishment, to express the essence of sound personnel administration in just two words, those words would be "Consultation" and "Explanation".
7. The practice of keeping everyone on the payroll informed on all matters affecting their interests.
8. Encouraging freedom of expression of points of view and attitude without fear of reprisals.
9. A total work environment that appeals to the self respect and dignity of the individual.
10. Sympathetic consideration of people's trials and tribulations, particularly supervisors who too often are not given time or the place to go to air their gripes.
11. Steadiness and certainty of employment. It is the psychological rather than the financial aspect of this practice that justifies its inclusion here.
12. A plan of promotional opportunity. People like to have the answer to the questions "Where do I go from here?" and "By what route?"
13. Equitable wage and salary structures that recognise differences in job and position requirements, as measured by such factors as knowledge, skill, difficulty and responsibility.
14. A training programme designed to help everyone perform, in the best known ways, the tasks that are assigned for the attainment of stated objectives.
15. Recognition, particularly through individual evaluation, so that it may be said of each person on the payroll:
    He is prepared with what to go where.
16. A spirit of friendliness which is the essence of all good human relations and which should be diffused throughout the organisation like the sunlight that pierces the clouds.

Why is this such an outstanding example of sound personnel policy? The answer is, I think, that underlying the statement is a recognition of the fact that employees are people. The accent is on the human factor. When industry is organised in large units and management is concentrating its attention on keeping up with the latest technological improvements there is a tendency to think of workers as machines. They are distinguished from real machines only by the facts that they go home at night and do not require any maintenance. We are beginning to realize, however, that this view leads neither to happiness for the worker nor to high productivity for the plant. We need to give more attention to the social and spiritual needs of employees and the conditions which have to be met if they are to be both happy and productive.

Perhaps I might mention in this connection that next summer men and women from all over the Commonwealth are going to meet at Oxford to do just this. His Royal Highness, the Duke of Edinburgh, who has always taken a great interest in industrial welfare, has called a Study Conference on the Human Problems of Industrial Communities. I understand the Conference will be attended by about 280 members, 30 of whom will come from Canada. The members will include people from both management and labour and they will be predominantly people who are actively engaged in industry rather than research workers. The Conference will provide wonderful opportunity for people from countries in various stages of development to compare notes on the problems which industrialisation brings with it and to do some serious constructive thinking about these problems.

The calling of this Study Conference is a bold and imaginative approach to the task which we were trying to tackle through the Human Factors Panel and TARGET. While one does not expect immediate and startling results in this kind of work, I am sure that over the long run the Duke of Edinburgh's Conference will be of great benefit to those attending it and the organizations with which they are associated.

My experience since I left the Treasury and joined

Schweppes in July, 1950, has been in very different fields. Purposely so, since my new boss—F. C. Hooper—generously regarded me as being reasonably well qualified in the matter of human relations in industry, and wanted me to learn other sides of business.

It had always seemed to me a great pity that men who had made exhaustive studies in the field of personnel management were often incapable of effecting the changes they knew to be desirable, either because of their own lack of force of personality—perhaps coupled with the fact that their bosses desired to pay no more than lip service to the cause—or because they had insufficient experience outside that particular field. As a result, their management colleagues paid them scant attention, cherishing the thought that a little down to earth experience in the field of making the company pay would soon cure all this airy fairy nonsense.

I welcomed this chance of broadening my experience. But to revert to my most recent experience. It has been my added good fortune that during the past three years I have had the satisfaction of being able to play some small part in putting into practice one of the major precepts urged upon industry at the time I was working for the Government, i.e. to earn more dollars. Britain's economic salvation depends on just that.

In the process, and entirely fortuitously, I have learned of another facet of the human factor. Here I cannot avoid being specific and referring to myself and my product.

It would be immodest for me to appear to attach undue importance to the role that I personally have been called upon to play in the introduction of domestically bottled Schweppes to North America. But, standing outside myself for a moment and viewing this thing objectively, I am convinced that we owe much to David Ogilvy—who conceived the idea of personalising the product in this way—and to my colleagues, Al Steele and F. C. Hooper, who had the perspicacity to support him.

Despite the quality of the product and the tremendous support we have had from our colleagues, the Pepsi-Cola Company, I cannot blind myself to the fact that without this factor, it would have taken us many more years and a heap more money (which could not have been forthcoming, owing to Britain's dollar shortage) to gain coast-to-coast recognition and public acceptance upon the scale that we have already achieved.

We still have a long way to go, of course—we cannot yet boast national distribution throughout Canada and the United States of America—but having spent a lot of time travelling back and forth across this continent—as well as twice around the globe last year—I wonder how many people really appreciate the scale of such an undertaking? What we have achieved, even so far, is no small thing.

"People are more interested in individual personalities than in corporations" says David Ogilvy, and I think he has proved his point. How else, under what other circumstances, would we, promoting the sale of a British product, be given the hospitality of the editorial columns of newspapers and equivalent T.V. and Radio time in almost all the major cities up and down the North American continent?

This is not wholly attributable to a personal idiosyncrasy—the fact that I elected to retain the beard I grew during the war—it is because there is an intangible something in all this. For want of a better definition we could call it "human interest" or "news value".

People are curious to know more about this odd Englishman who combines the offices of President and model. Who is he? What is he really like? How did all this come about? How does he keep the situation from getting out of hand? Does he retain a sense of humour about the whole thing, and is he able to laugh at himself? Can he continue to advance his Company's affairs without taking flagrant commercial advantage of all these opportunities? How does he fill this wildly un-British role that he has been called upon to play?

These are the kind of human problems that interest people. I know becaue they have formed the basis of countless questions at innumerable interviews.

The questions themselves have ranged widely. I am expected to defend British foreign policy in S.E. Asia; to justify trading with China and our point of view on all kinds of controversial issues. Also, to answer loaded questions such as the one asked by a young woman—member of the "live" audience at a Los Angeles T.V. show: "How do American women strike you?" (I replied, correctly, "So far, none have.")

Needless to say, the beard, as a subject for discussion, has loomed large. As a result of this enforced self-examination, I can now put up a case for not shaving that I would not have dreamed existed when, in September 1939, hearing that war was declared, I threw my razor over the side and vowed not to shave until victory should be won.

And what is the relevance of all this to my subject? The thread that I have endeavoured to maintain throughout these episodes in my post-war life has, I admit, become a little tenuous. But having set down some of my main conclusions—drawn from pre-1950 experience—it seemed false modesty on my part to omit to continue from there and draw the conclusion that in one more field of endeavour the human factor would seem to be of paramount importance.

What is the particular significance of all this to Canada? Not having had the opportunity to do any research into Canadian industrial and commercial practice in this field, it may be that I am preaching to the converted—that the approach that I have indicated in broad terms is generally accepted and applied. But in case not, I would humbly suggest that it behoves you, gentlemen, to think on these things; strive to avoid the pitfalls and the mistakes that we in the old world have perforce had to surmount.

This is the land of the future. Plenty of keen young men, dissatisfied with the restrictions of the old order, have asked my advice as to where in the world they should go to seek their fortunes. Industrial leaders of my acquaintance with far more influence than I, have replied, "Canada".

If you are going to succeed in attracting and keeping the best of them you must not waste time learning lessons that have already been learned. You must stand on our shoulders and press on from there.

Canada's phenomenal growth and development so far, is, as I see it, only an indication of what can be and will be achieved during the next few decades.

But to secure this and to ensure that this progress is in the right direction and along sound lines, it will be necessary for you to continue to attract the best leadership material that exists; and to ensure that the industrial climate is such that they and the men who follow their lead are satisfied that in Canada a man can give of his best unhampered by avoidable frustration and unhappiness; confident that whilst seeking his own salvation he is also ensuring the future of this great Country.

"COMBINED STRENGTH FOR DEFENCE"

An Address by

GENERAL JAMES DOOLITTLE
Vice-President of the Shell Oil Company

Thursday, November 11th, 1955

CHAIRMAN: The President, Dr. C. C. Goldring.

DR. C. C. GOLDRING: During World War I, James H. Doolittle served in the Aviation section of the United States Signal Corps. He remained on active duty in aviation from 1917 to 1930. During that time he pioneered in many phases of this new mode of transportation. He was the first man to fly across the United States in less than twenty-four hours, establishing a twenty-one-hour, nineteen-minute record in 1922. He was the first man to fly more than three hundred miles per hour in a land plane. He was the first to take off and fly a set course and then land without seeing the ground, thus pioneering the science of blind flying.

General Doolittle worked with the Shell Oil Company from 1930 to 1940 when he was recalled for active duty with the United States Army. One of his first responsibilities was to direct the conversion of the automobile industry to airplane manufacture. He led the famous Tokyo raid in April, 1942, and at various times commanded the 12th, 15th, and 8th Air Forces.

In January, 1946, he rejoined the Shell Oil Company and was appointed Vice-President, a position he still holds. He is a director of the Company, as well.

General Doolittle was born in California. He has a brilliant university record, holding a B.A. degree from the University of California, Master of Science and Doctor of

Science degrees from the Massachusetts Institute of Technology. He won his Doctor's degree in one year which is an outstanding academic feat. He has honorary degrees from the University of California, Brooklyn Polytechnic Institute, and the Clarkson College of Technology. He has six military or aviation decorations from the United States, is a Knight Commander of the Bath (British), has been twice decorated by the French Government, and twice by the Belgian.

On this our Remembrance Day meeting, the Empire Club is honoured and privileged to have as its guest a distinguished citizen of the United States, an outstanding authority in aviation, and a leading business man.

General Doolittle will address us on the topic "Combined Strength for Defence."

J. H. DOOLITTLE: It is most gracious of you to ask me to join you this afternoon. I am particularly glad to be with you during the period of your National observance of Remembrance Day, as it affords me an opportunity to talk to you about a subject to which I have given considerable thought and which is of vital concern to every Canadian and American—the defence of our continent. This defence begins in Canada, but it stretches to the farthest tip of my country and involves each and every one of us. If we are to continue to follow our separate, tolerant ways of life, we must be prepared to defend them jointly.

When we celebrated Remembrance Day for the first time thirty-seven years ago, we did so in the sincere hope that mankind could at last live together in amity, in accordance with the Golden Rule, free forever from the horrors of war. Remembrance Day became a symbol of our hopes and the hopes of millions of other peoples throughout the world—a symbol of peace fortified by the basic freedoms for which we had fought in the first great world war.

As the sun rose over Tokyo Bay on V-J Day, mankind hoped once again that the awful carnage of war had become a thing of the past. Our national desires for lasting peace were demonstrated unmistakably to the world by our actions immediately following World War II. The

West rushed at top speed to dismantle its military forces. Our armies were demobilized and a major portion of our air and naval strength went to the scrap pile or into mothballs.

But even before we had an opportunity to enjoy the fruits of our victory the shadow of militant communism on the march began to fall across the earth. Unfortunately, our examples of drastic disarmament and, later, our suggestion of bringing atomic energy under UN control seemed only to inspire the Kremlin to greater action. The war-weary Western World faced a tremendous challenge —the re-establishment of a military capability which would deter the potential aggressor.

As we comprehended the seriousness of the problem we were facing, it became apparent to our great leaders in the United Kingdom, Canada and the United States that new and extremely powerful weapon systems produced a threat which struck at the very heart of our national existence. To meet this challenge we were guided by two basic principles: first, we could maintain the peace only through strength, through the creation of a superior military force-in-being; second, such strength must be founded on a rapidly developing technology and a sound, expandable industrial base.

Science and technology were mobilized; the industrial base was in existence; so the free world sat down at the international conference table to create the necessary military force. The result was NATO. Canada and the United States wholeheartedly supported NATO and subsequently some of our best strategic, defensive and tactical military units were provided to fill critical gaps in the European defence area.

Simultaneously, Canada and the United States saw the critical need of creating an adequate North American defence system. The record of cooperation between our two countries is long and excellent. I am sure that our mutual trust and friendship have been a matter of wonder and admiration to all the countries of the world. Military cooperation between Canada and the United States has been well tested. It began with the Canadian-American joint boards established following the Ogdensburg Agreement entered into by the Prime Minister, Mr. Mackenzie King, and President Roosevelt in the summer of 1940. All of us here remember the splendid wartime cooperation which existed between our countries under the inspired leadership of Winston Churchill and Franklin D. Roosevelt. We remember also how well their directives were implemented by General Eisenhower and his international staff and joint command. This cooperation has continued to grow, resulting in an efficient, effective, cooperative Canada/U.S. military team dedicated to the defence of our continent.

Canada's defence objectives are clearly set forth in a White Paper issued by the Minister of National Defence, which states:

> "Canada's defence programme continues to be planned for the immediate defence of Canada, for cooperation with the United States in the joint defence of the Canada-United States region, for cooperation within the North Atlantic Treaty Organization looking towards the provision of a collective force capable of deterring aggression, and for carrying out undertakings by Canada as a member of the United Nations Organization."

Modern airpower knows no boundaries, and for the first time in history we are faced with the possibility of an attack which could quickly cripple the entire military and industrial potential of North America. To counter this threat our resources of men and material must and will stand side by side in order that we may prepare and maintain an effective defence of this continent.

The tangible results of our cooperative efforts in this hemisphere were made generally known less than a year ago. At that time our governments announced to the world that we were in the process of establishing a defence network that would consist of a series of radar chains stretching across the continent from coast to coast. These include the jointly-operated Pinetree network, located near our common border; the mid-Canada line, north of the settled areas in this great country; the Distant Early Warning Line, across the most northerly practical part of North

America; and seaward flanks extending outward into the Atlantic and Pacific Oceans.

Reports in the Toronto Press within the last few days, datelined Ottawa, state that Canada is prepared to share with the United States in the cost of a fourth radar warning line in this country. Plans have been laid for a radar fence running down the coast of Labrador and the east coast of Newfoundland to the vicinity of Cape Race. This chain would be one of the coastal flanking lines for the main radar network in Canada. Actually, it would be a southern extension of the now-building mid-Canada line which stretches roughly along the Fifty-Fifth Parallel from Labrador into the Peace River area of Alberta. It is understood that Canada is willing to pay for this fourth line on the same scale as for the Pinetree network which extends across most of Southern Canada. Canada paid one-third and the U.S. two-thirds of Pinetree. This reported move by Canada illustrates once again the warm and close cooperation which exists between our two nations.

Rarely have two governments worked more closely and rapidly on the solution of a common problem. To have conceived and carried through a project of such tremendous magnitude in such a short time is a military feat that in my mind will rank with the greatest as future historians look back upon our times. From the beginning, a deep understanding of the real meaning of teamwork has characterized all the complex international negotiations carried on here, in Washington and elsewhere during recent years —teamwork which has reached into all levels of government, industry, the academic world, and now, more and more, into the personal lives of the people themselves.

Let us look for a moment at some of the recent results of this cooperation, as it relates to the Dewline and to the Pinetree chain.

Following last year's successful research and development activity on the pilot radar project in the Barter Island area of Alaska, our two governments agreed to work closely together and get the Distant Early Warning Line into operation at the earliest possible moment. In order to expedite the mobilization of necessary Canadian and American Army, Navy and Air Force resources on a crash basis, a joint project office was created in New York City. This office was staffed by representatives from the Royal Canadian Air Force, the Canadian Department of Defence Production, the United States Air Force, and the prime contractor.

During the late Spring and early Summer of this year, airlift requirements to support preliminary Dewline construction schedules were carried out by utilizing Canadian commercial air carriers supported where necessary by Globemaster transport aircraft of the U.S. Air Force. 6,600 tons of tractors, 30-foot timbers and other heavy equipment items were hauled by air to selected points far beyond the Arctic Circle—often in blinding snowstorms in temperatures ranging down to 60° below zero.

Meanwhile, during the Winter and Spring months, over 500,000 tons of material were gathered together in harbours on both East and West Coasts. The delivery of these materials by boat to selected northern sites had to be so scheduled that the 123 ships of the two task forces could penetrate the Foxe Basin area from the East and areas beyond Point Barrow from the West, offload the great number of individual items required at each site, and still escape before the fast-closing polar icepack froze the ships in place and held them through the long Winter months that lay ahead.

The battle against the elements reached epic proportions in the short Arctic Summer. Rarely before in recorded annals had the Great Arctic icepack failed to recede completely from the north coastal areas of Alaska in mid-Summer, at least for a few weeks. This year, perverse winds pushed the icepack back and forth, threatening to close the only escape route in that area, creating heavy swells along ice-rimmed shores, setting up dense fogs and daily line squalls, endangering the ships of the task forces, and upsetting the delicately-balanced time schedule of unloading—an around-the-clock operation carried out by 3,000 specially-trained Army troops onto sites ranging from soft and mucky tidal flats to rockbound cliffs.

How well this herculean task was performed is indicated by a statement made by the Commander of the Joint Task Force, in which he recently lauded the "high courage and downright guts" of the thousands of civilians and military men of all services of both Canada and the United States for their part in making it a highly successful operation.

Now that the major air and sea lift for this year has been accomplished and the main Dewline construction programme is under way, the problem of maintaining these stations and making them livable for the men who must work there has begun. This operation, which will continue well into the future, is expected to lean heavily on Canadian commercial air transport facilities.

Based on past experience, we can safely predict that the establishment of such an air lift capability will have considerable and favourable economic repercussions in the Canadian Arctic and should aid in the earlier development of its many natural resources.

Not only are the vast task forces of our governments working as a closely knit team to establish these remote bastions of our common defence system, but closer at hand, in the Pinetree chain, Canadian and American personnel daily share the task of keeping individual radar stations operating on a 24-hour day, 365-day year basis.

Living together and working together toward the achievement of a common goal, whether it involves international long-range planning or the routine daily needs of keeping an individual isolated station on the line 24 hours a day, develops the kind of mature strength of spirit that will see us through any challenge.

That all our work in creating this vast network has not been idle effort has been demonstrated only too clearly by recently observed improvements in our potential enemies' air-atomic capabilities. As a specific example, we have witnessed the rapid development and production of their long-range heavy bomber—the swept-wing, four-engine, Model 37, popularly known as the Bison. These aircraft are capable of reaching deep into the heart of our continent with the devastating explosive power of the atom. There are no other target areas which require such a weapon system to be included in quantity in the active inventory of their air force. It is evident that they have come to realize as well as we do that only by the annihilation of the opposing aerial striking force, through superior air-atomic strength, can one hope to gain control of the air and hence win a modern war.

But it is not enough to think in terms of aircraft alone; we must consider the continental defence problem in terms of intercontinental guided missiles as well. With the knowledge gained from the Germans at the end of World War II and their own intensive efforts since that time, it may well be that the Soviets are far along the road in the development of an effective long-range ballistic missile. We must not let them beat us to this so-called ultimate weapon. The tragic consequences that may await us if we do are beyond comprehension. We must, therefore, not only maintain a defence against manned aircraft; we must also develop a capability of defence against the missile threat.

In our free world, security must be based on strength with solvency. This is not easy in the face of today's colossal uncertainties. Through intelligent planning and ingenious use of our natural resources it can be done. Working together, we must produce a proper balance between military and economic forces. This is necessary in order that our nations, dedicated to the defence of freedom, may continue to be secure and still maintain healthy and expanding economies.

I am reminded of Mr. J. A. Calder's comment in his farewell address as President of the Canadian Manufacturers Association, when he stated that "Canada is a lot bigger country—bigger in resources and wealth and spirit and ambition — than we ever dreamed it was."

One often hears quoted the prophesy of Sir Wilfrid Laurier that "the twentieth century belongs to Canada." Less well known but perhaps even more striking—when we consider when it was made—was the prophesy of Lord Carnarvon in introducing the British North American Act, the foundation of your Canadian Constitution. To Canadians who don't recall the words, it always gives me, an American, considerable pleasure to quote that Englishman who said to Parliament in 1867: "We are laying the foundation of a great state, perhaps one which at a future date may even overshadow this country."

Because Canada has these capacities and capabilities in such large measure, it has been able to to do an increasingly important job under the provisions of the North Atlantic Treaty. One of Canada's important contributions has been the NATO aircrew training scheme. A number of the NATO nations were in critical need of well trained air crews. Calling on Canada's wide experience gained from the operation of the Commonwealth Air Training Plan in World War II, you were again able to train and qualify pilots and navigators from many NATO nations. This training plan was well conceived and is ably carried out by the Royal Canadian Air Force. It is an important contribution to the defence of the free world.

I do not want to leave the impression that Canada's contribution to NATO is strictly confined to the military field. Professor C. E. Carrington wrote in a paper prepared for the NATO and South East Asia Treaty Organization conference, "Canada is the corner-stone of the North Atlantic Alliance." As the Honourable Brooke Claxton said, "That's bringing in a lot of territory."

Here at home the bulding up of our joint military strength has had significant economic as well as military consequences. In the last several years reciprocal purchases of military equipment amounting to nearly a billion dollars have been made across our common boundary—for example, from 1 July, 1953 to 30 June, 1954 the Canadian Government's military purchases in the United States amounted to one hundred and seven million dollars while the United States purchased similar items in Canada worth one hundred and sixteen million.

On October 28 of this year, Donald A. Quarles, Secretary of the United States Air Force, announced officially that the United States Air Force has a contract with AVRO Aircraft Limited which could result in a disc shaped aircraft somewhat similar to the popular concept of a flying saucer. Mr. Quarles released an artist's conception of what this aircraft might look like. My friend, Crawford Gordon of AVRO Canada, does not deny the flying saucer illustration and he has a twinkle in his eye which seems to me as much pride as humour when his attention is drawn to an article which appeared in the

American Aviation Daily stating that Orenda Engines Limited would soon have the most powerful aeroplane engine in the Western World. Developments like these together with the steady supply of planes like the De Havilland Otter and Beaver to the United States Armed Services clearly show the material and increasing stake which Canada has in North American military aviation.

In the field of research and development, interchange of ideas, research reports, and items of equipment are extensive and are valuable to the economic and military advancement of both our countries. McGill radio equipment, designed and built in Canada is being used on one of the major radar chains. This last winter saw the training of Canadian Army personnel in a Texas guided missile centre. Later, near Churchill, Manitoba, a Canadian-U.S. team of experts conducted the joint cold weather testing of NIKE, a supersonic ground-to-air missile.

In the operational planning field, too, the RCAF's Air Defence Command, with the headquarters at St. Hubert near Montreal, works closely with its USAF counterpart at Colorado Springs, Colorado. Personnel of both headquarters no longer speak of the "air defence of Canada" or the "air defence of the U.S."—they speak of the "air defence of the North American continent." Operational planning is done jointly and combined exercises have been held annually. Signpost in 1952, Tailwind in 1953, Checkpoint in 1954—all served to test the effectiveness of coordination and equipment and to determine how the job could be better done on a continent-wide basis.

This is the kind of combined, coordinated strength that will successfully hold in check planned aggression against our continent. For, in my opinion, no enemy nation will ever start an all-out war against us unless it is satisfied that it can not only win, but preserve its own country in the process.

Ultimately, our potential enemy will realize that we mean never to lower our guard to the point where an aggressor state can afford to risk an all-out war. Certainly it must now be eminently clear to them as it is to us that the growing power of the available weapon systems are such that as long as we remain alert and prepared it would be suicide for them to resort to force. The longer such a state of uneasy peace can be maintained through the creation and use of effective deterrents, the more time we will have to seek channels which will establish a permanent state of peace. On that day the vast forces now chained to the necessary task of supporting the common defence can be re-channeled to the peaceful benefit of mankind.

If during the intervening period, we of the free world so comport ourselves that our way of life will serve as inspiration and guidance for oppressed peoples everywhere, we will be exerting still another type of pressure on the communists—pressure which will ultimately force them to change their long-range objective from world communization and domination to peace among nations.

Our common determination to protect freedom is founded on a common belief in the morality that makes free societies possible, and on a common devotion to peace. The words "good neighbour" have never been more important to Canada and the United States than they are today. For years we have shared common ground in geography, language, culture and economics. Now we share the common necessity of protecting the freedom that underlies our way of life.

I have spoken, until now, primarily about maintaining the peace. This is a first essential. It must be accomplished through military, economic and moral strength. But we must also improve the peace. It is not meet that the world should stand forever on the brink of catastrophe.

I am sure that the people of Canada and America are courageous enough, intelligent enough and spiritual enough to continue to meet any threat with strength the while — through example, precept, diplomatic action and prayer—they lead the way to international understanding and eventually to practical disarmament — that is agreed disarmament with a proven inspection system to check and an enforceable punitive system to punish violations of the agreement.

These are the requirements that will eventually lead to and the safeguards necessary to assure a just and durable peace.

"SUMMONED TO THE BAR"

An Address by

HON. RENE BEAUDOIN, M.P.
The Speaker of the House of Commons

Thursday, November 17th, 1955

CHAIRMAN: The President, Dr. C. C. Goldring.

DR. C. C. GOLDRING: The Speaker of the House of Commons is a very important member of the Parliament of the Dominion of Canada. He is not only the presiding officer but in addition is the adviser of the Members of Parliament in matters of procedure. He has wide powers to direct debates and to pass judgment on various points concerned with the motions that initiate debates. In addition, he is the administrator of the House of Commons building and as such has authority over the parliamentary restaurant, cafeteria, library, stenographers, debates reporters, etc. We are happy to welcome to-day, the occupant of this very important post, the Hon. Rene Beaudoin.

Mr. Beaudoin was born in Montreal and graduated from the Faculty of Law of the University of Montreal. He was elected a Member of Parliament for the constituency of Vaudreuil-Soulanges in June, 1945, and was re-elected in the same constituency in 1949 and in 1953. He has had extensive experience in committee work in the House of Commons and has served as Deputy Chairman and Chairman of the Committees of the Whole. In 1952 he was elected Deputy Speaker of the House of Commons and became Speaker on November 12th, 1953.

With his wealth of experience in the practice of law and in the House of Commons, he is well-qualified to speak on the subject "Summoned to the Bar".

We accord to Mr. Beaudoin a very hearty welcome to this meeting of the Empire Club of Canada.

MR. BEAUDOIN: On January 10th next, the third session of the 22nd Parliament summoned by Royal Proclamation issued upon the advice of the Cabinet for the dispatch of business will get under way.

His Excellency the Governor General will open this session in the ceremonial manner becoming a Parliament constituted after the model and image of the Parliament of Great Britain.

On the opening day of the first session, the elected Speaker, having been approved by the Sovereign, claimed and secured for the duration of the 22nd Parliament, the ancient and undoubted privileges of the House of Commons.

Specifically, the Speaker has asked for freedom from arrest and molestation, liberty of speech, access to the Royal Person and a favourable construction to all their proceedings.

Although not claimed by the Speaker, the House has the undoubted right to provide for its own constitution and the power to maintain its authority even by punishing for breach of privilege.

The conditions necessary to members for the efficient performance of their duty as a body have therefore been established.

Once the causes for summoning Parliament, as outlined in the speech from the Throne, will have been declared, the House will return from the Senate to its own Chamber, physically arranged and organized along the British Parliamentary specifications, and will embark upon its task, guided by a set of principles, rules and forms which it took Great Britain centuries to develop and perfect.

By the grace of my colleagues, I occupy a Chair dominating a scene on which is being transacted the important business of the House, legislative, financial, and critical; and on which also are being unfolded the greatest moments of English and Canadian history.

The actors are necessarily very much preoccupied by their daily housework, debate in the House and debate in committee. I do not take part in debate, I am, of course, very much interested in what is being said and very much impressed by the decors and the background of the stage before me.

Relieved as I am of the terrible anxieties which at one time besieged the Speaker, I may enjoy the show.

I do not fear losing my head as King Henry VIII once threatened a Speaker.

Whenever I act as spokesman for the Commons I present texts in the exact form in which they have been prepared.

Legislation by petitions presented to the Sovereign by the Speaker, often in words which were at variance with the substance of the petitions, was out of style when we began in Canada to legislate under British Parliamentary Rules. In 1414, British Commoners had submitted "that there never be no law made and engrossed as statute and law neither by additions nor discriminations by no manner of term or terms which should change the sentence and the intent asked" and the Sovereign agreed that from henceforth "nothing be enacted to the petition of the Commons contrary to their asking whereby they should be bound without their assent."

Ever since 1414 therefore, it became the practice to present to the Sovereign for assent, not a petition but a bill. Refusal to assent to a bill cannot now practically be refused.

Illbert, a former Clerk of the British House of Commons, tells us that "since the time of Queen Anne, no English King or Queen has ever refused assent to a bill."

Like in England, since in 1407, the Sovereign agreed that money grants were left to the initiative of the Commons, supply bills are presented for assent, after both Houses have passed them, by the Speaker of the Commons himself.

Although Commoners have no more reasons to suspect their Speaker when he acts as their spokesman and although the Speaker has no more reasons to fear unfavourable reactions from the Sovereign, there are surviving delightful customs reminding us of those days of struggle for equilibrium among the three component parts of Parliament.

At the opening of a new Parliament, the elected Speaker is supposed to be taken by the shoulders and dragged to the Chair so that when he goes to seek the approval of the Sovereign, he may give as an excuse that the Commons compelled him to take the Chair. Nowadays, that particular scene is very poorly acted. After the motion is carried, the Mover and Seconder walk resolutely toward the elected Speaker: the roughing on the part of the formers and the resistance on the part of the latter are purely imaginary. However, the stage is still being set and as long as it is, one never knows when the scene might be reenacted in strict accordance with the script.

Since the middle of the 17th century, it has been the practice in England to use committees to take care of detailed business. At first, they consisted of a few members specially selected from the membership of the House: they were select committees. When it was found that the small committees, almost always composed of the same select few, were a useful instrument of royal influence, committees of the whole House came into being. In these committees all members could have their say and know what was going on. There remained one suspicious character, he was the Speaker. So British Parliamentarians invented the magic formula: Mr. Speaker, they said reverently, we move that you do now leave the Chair for the House to resolve itself into a Committee of the Whole. And thus, ever since the long Parliament, the Speaker is moved out of the Chair whenever the House wishes to resolve itself into a committee of the whole and then discuss more freely and in detail the matter under consideration.

In Canada, except for the purpose of explaining the estimates of the House in Committee of Supply, no Speaker has taken part in any debate in Committee of the Whole since Mr. Speaker's Lemieux's time and since 1885, by the enactment of a statute and a standing order, a member other than the Speaker, must be appointed at the beginning of a Parliament to take the Chair of all Committees of the Whole.

It is interesting to note, however, the reasons which inspired Sir John A. Macdonald to propose the appointment of a Deputy-Speaker. After stating that it was proper to introduce a practice which obtained in the United Kingdom, he said, as reported in Hansard, I quote: "It is found and we have found that the Chair of the Speaker is not a bed of roses. In Canada, the health of our Speakers has suffered from the too long sittings which have taken place. I do not like, Sir, to allude to yourself in your presence, but you have, I believe, had more than one significant hint that the long sittings which you have been obliged, in the performance of your duty, to submit to, have been prejudicial to your health. I know that your immediate predecessor suffered materially and I am sorry to say that my old friend and colleague, Mr. Cockburn, died in consequence of a disease caused by the long sittings in the Chair."

It was in Tudor times in England that the Commons acquired a distinct home of their own: St. Stephen's Chapel.

When it was destroyed by fire in 1834, the Commons were given a specific meeting place in the Palace of Westminster. St. Stephen's Chapel was Royal property. Although no Sovereign has lived at Westminster since Henry VIII moved out in 1512, Westminster is still a Royal Palace.

When on the occasion of Coronation Parliamentarians of the Commonwealth gave a special dinner in Her Majesty's honour, it was only proper for Queen Elizabeth II to preside as she was in her own home.

Although the Canadian House of Commons is not a Royal Palace but the property of the Canadian people, the Speaker of the Senate and myself were pleased indeed to invite Her Majesty The Queen Mother to preside at the dinner given in her honour a year ago in our Parliamentary Restaurant, because we felt that for a person for whom all Canadians have so much admiration, respect, and affection, the only place was the presiding chair.

For nearly three hundred years, from 1547 to the fire in 1834, the English Commons met in St. Stephen's Chapel. It is said that the rectangular shape of the Chapel is responsible for the development of a house divided as we know it to-day between government and opposition.

In his book on the British House of Commons, Martin Lindsay, M.P., describes this development as follows: "The seating in this narrow rectangular Chapel could only be conveniently arranged on two sides facing an aisle down the centre which gave great encouragement to the inception of two mutually antagonistic parties sitting opposite each other. The logical development of this was, of course, the conception of government and opposition, with the latter's duties of constructive criticism and the provision of an alternative government which in itself provides the most powerful safeguard against maladministration with its logical consequence of revolution.

It is impossible to over-estimate the effect on our history of that casual decision. For had the Commons been allotted a square room, they would almost certainly have sat, as in foreign Chambers, upon semi-circular benches. This would have encouraged numerous groups of opinion shading from left to right, and would probably have resulted in a continuous series of weak administrations always at the mercy of some new majority alignment."

In St. Stephen's Chapel the Speaker's Chair was placed in front of the altar. Upon entering, Members, in respect for the altar, reverently bowed. On January 21st, 1580, the House adopted a resolution stating that Members "should depart and go forth in comely and civil sort for the reverence of the House; in turning about with a low courtesy like as they do make at their coming into the House; and not so unseemingly and rudely to thrust and thrung out as of late time hath been disorderly used."

In England, Members, Messengers from the Sovereign and the Lords, and the new Member being introduced bow three times in entering the House.

In Canada the Gentleman Usher of the Black Rod, who is the Messenger from the Sovereign and the Senate, conforms to the three traditional bows when he visits the House.

He, perhaps, persists in this polite behaviour because of the fact that since Charles I erupted into the Commons, took the Speaker's Chair and enquired about five of its leading Members which he wanted to arrest he finds the

Commons doors locked, and has to knock three times before he can be admitted.

New Members elected outside a general election are still being formally introduced by two sponsors. In many instances the traditional bows are reduced from three to one. As to Members generally, most of them do still bow reverently, others merely bow, others hardly bow, but all only once.

A few sometimes forget to bow at all. Some thought could perhaps be given to the installation of an altar behind the Speaker's Chair.

On the Clerk's Table rests the symbol of authority: the Mace.

Originally a heavy weapon, it is now a splendid ornament. The present English Mace dating from 1660 is considered the one which replaced the Mace thrown into the Thames after Cromwell dismissed Parliament and ordered his men to take away that "shining Bauble".

Our present Mace was given to us in June, 1916, by Colonel The Right Honourable Sir Charles Wakefield, then Lord Mayor of London, and by Sir George Alexander Touche, M.P., and Sir Samuel George Shead, then Sheriffs of London. It was officially accepted by the House on May 16th, 1917 upon a resolution moved by Sir Robert Borden and seconded by Sir Wilfrid Laurier.

It was paraded for the first time in the present House of Commons on Thursday, February 26th, 1920, when the House opened its sitting in the new Parliament Building.

Every sitting day the Speaker, preceded by the Mace, borne by the Sergeant-at-Arms parades from his quarters to the House of Commons Chamber. The Speaker and the Mace are inseparable. Without them the House is not properly assembled.

"To show that unless the Speaker is in the Chair the House is not constituted" says Campion, "the Mace is removed from the Table when the House is in committee. A similar distinction marks the proceedings in connection with the election of a Speaker. The Mace is kept under the Table until the new Speaker is elected. It is then placed upon the Table as a sign that the House is properly constituted for its own proceedings. Until, however, the Royal approbation has been received, the Speaker Elect is not fully in office and this is symbolized by the fact that he is not preceded by the Mace when leaving the House during the interval between his election and the receipt of the Royal approval."

On the Clerk's Table also there is a calendar stand, an ink stand, and a seal press. These articles have been made by artists on the special order of the House of Commons. I do encourage every one to read the description of the motives embodied in the design of these articles, as it appears in the document laid by Mr. Speaker Lemieux on Friday, May 28th, 1926 the text of which appears in the Journals of that day at Page 365.

Worthy of note also is the Speaker's Chair which is a beautiful replica of the Speaker's Chair in the British House of Commons at Westminster before the bombing of the House in the last World War. The Chair was presented to us by the Right Honourable James William Lowther, P.C., on behalf of the United Kingdom Branch of the Empire Parliamentary Association, on Friday, May 20th, 1921.

In presenting the Chair to us the Right Honourable James W. Lowther described what he called an exact replica of the Speaker's Chair in the House of Commons which was erected in that building in 1844. "Above the Chair", he said, "in the canopy you will observe the Royal Coat of Arms. This is carved out of a piece of oak which, until recently, has formed part of the roof of Westminster Hall. The roof of Westminster Hall was erected in the time of Richard II in the year 1397. I think, imitating the celebrated mot of Napoleon, I can fairly say that from here five centuires will look down upon you." And in conclusion he said: "I would say that the Speaker's Chair is the symbol not only of parliamentary government as evolved by the great constitutional elements of the Commonwealth of Nations, but of authority, the authority of the individual selected by his colleagues to preside over them, authority to regulate debate, to maintain order, and to insure the free expression of all opinions. It marks, therefore, not only the similarity and the continuity of parliamentary institutions in the new world as in the old, but it emphasizes the principle that without law, order, and authority, there can be no true freedom. Upon the Chair itself you will find this principle enshrined in the succinct maxim, "libertas in legibus."

"It is the hope then of the donors that the parliamentary instincts and traditions which 'broadening down from precedent to precedent' have come to us in St. Stephens, may flourish and abound in this country, and that when this generation and future generations look upon this Chair the sight may kindle in their hearts a spark nay, I would rather say a flame of respect and admiration, and, I trust, affection for the Old Country."

When the Right Honouurable J. W. Lowther paraphrased Napoleon's words and said that from the Speaker's Chair "five centuries will look down upon you", he could have said that more than seven centuries "will look down upon you".

In fact, is it not by virtue of Magna Carta signed by King John at Runnymede on June 15, 1215, that from prorogation of the last Session on July 28th, 1955 to the opening of the next Session on January 10th, 1956, notices of summons of Parliament by Royal proclamation must appear at intervals not exceeding forty days.

Yes, Magna Carta signed in 1215, the first Parliament of 1295, the fight for freedom of speech led by Peter Wentworth who died in the Tower in 1593, the right of airing grievances before granting Supply, and in connection with it the efforts of John Elliot, who died in the Tower in 1632, the five Members: Pym, Hampden, Hazlerig, Hollis, and Strode, who returned in triumph to Parliament on January 11th, 1642 and thus establishing freedom from arrest, the advent of Cabinet or Parliamentary Government in 1688, the adoption of the Bill of Rights in 1689, the twenty-year-long struggle for liberty by John Wilkes from 1763 to 1782, and the adoption of the Reform Act of 1832 one of the great landmarks of English history, constitute part and parcel of the parliamentary institution that we have inherited from Great Britain. We all agree, I believe, that the British parliamentary system is the most outstanding and lasting importation ever made to this country.

Canadians of the ethnical group to which I belong, have, I think, quickly and very early grasped the genius of that parliamentary system. Under it, many of them have contributed to the growth of this country in a manner and to a degree of which all Canadians may be justly proud.

Although the rules of procedure of the English House of Commons were compiled by Sir Erskine May only in 1849, in 1792 and 1793 under Mr. Speaker Panet, Members of the Assembly of Lower Canada adopted Standing Orders most of which are to be found yet almost word for word in our present Book of Rules.

In the last hundred years, Baldwin, Macdonald, Borden, Meighen, and Bennett, on the one hand, Lafontaine, Cartier, Laurier, Bourassa, and Lapointe, on the other to name but a few—and you will understand that I purposely avoid mentioning present day parliamentarians — they carved in that parliamentary system distinctive Canadian landmarks.

No matter how simple may appear to us to-day the form of debate which consists of a motion proposed, discussed, and voted on, and in the acceptance of the will of the majority as the will of the House; no matter how simple may appear to us to-day the principle enunciating that the Crown recommends expenditure, the Commons approves it, and the Senate agrees to it; let us not forget that it took centuries to develop them.

No matter how archaic some of our ceremonials may be, they are, I believe, necessary to give a parliament the august atmosphere and dignified behaviour becoming a body in which is vested the authority that God and the people wish Canada to have.

To use parliamentary vocabulary, I was pleasantly summoned to appear at your Bar to-day to speak about Parliament. May I suggest that you continue and increase your interest in the doings of your Parliament. You have even invited me to sit with you within the Bar. For your generous words, your kind attention, and hospitality, I am deeply grateful.

“SOME REGIONAL PROBLEMS OF CANADA”

An Address by

M. J. COLDWELL, M.P.
Parliamentary Leader of the
Co-operative Commonwealth Federation

Wednesday, November 24th, 1955

CHAIRMAN: The President, Dr. C. C. Goldring.

DR. C. C. GOLDRING: Mr. Coldwell came from England, the country of his birth, to live in Edmonton, Alberta, in the year 1910. He taught school in the Provinces of Alberta and Saskatchewan for the next twenty-five years and served as Alderman in the city of Regina from 1922 to 1932. He was President of the Canadian Teachers' Federation in 1927-28 and was its Secretary-Treasurer from 1928 to 1934. He was active in Farmer and Labour groups in Saskatchewan, particularly during the period 1929 to 1934, and he became National Secretary of the C.C.F. in 1934. He was first elected to the House of Commons in 1935 and has been in Parliament continuously since that time.

He has been Parliamentary Leader of the Co-operative Commonwealth Federation for several years. With his long experience in the House of Commons he has been a member of Canadian delegations to other countries on many occasions, particularly Britain, the United States, and the Middle East.

Mr. Coldwell has had a wealth of experience in various organizations and has given leadership in many movements designed to improve the lot of man. His experience in serving others and his intimate knowledge of all parts of Canada give him unique qualifications to speak on the subject "Some Regional Problems of Canada"

It is a privilege to have Mr. Coldwell with us at this Empire Club meeting and we extend a warm welcome to him.

MR. COLDWELL: During the past few months certain economic problems in Canada have occupied a prominent place in both the newspapers and in the thoughts of our people. Having just completed a cross-country tour, I have had an opportunity of seeing for myself some of the serious problems which confront Canadian primary producers. It is true, of course, that for various reasons great industrial developments have taken place, particularly in the provinces West of the Maritimes. The effect of these I shall not have time to discuss.

Suffice it to say that there are great disparities of opportunity and wealth in the several regions of Canada. This applies not only to provinces as such but as individuals within the provinces.

Comparisons of the per capita incomes emphasize this point. What has been true during this post-war period, was equally true between the two wars. 1928 was a comparatively prosperous year but the per capita income in Prince Edward Island was only $240, while that of Ontario was $540, or more than twice as much. In 1954 the per capita income of Prince Edward Island was only $650, while that of Ontario had risen to $1,470.. The other provinces ranged between these two amounts with the exception of Newfoundland which was only $640.

At the present time there appears to be little likelihood of any real adjustment between the extremes unless contemplated federal-provincial agreements are effected to equalize economic conditions among the ten provinces.

Unfortunately, farm returns have dropped sharply in the past several years and it is unlikely that they will rise sufficiently to bring about the necessary adjustments among the regions. In Nova Scotia and Prince Edward Island farm returns are dropping sharply.

When I was in Nova Scotia recently I visited the Annapolis Valley where a very high grade crop of apples was being marketed at uneconomic prices. I was told that farmers were receiving about 40 cents a bushel on the farm and along the roadside bushel baskets were on sale to motorists at $1. Two years ago the apple growers voted to abandon their marketing board. I found much the same price situation in Prince Edward Island where I was told that potato growers were receiving as low as 35 cents a sack for their exceptionally good crop of potatoes.

But for government floors under butter, Ontario and Quebec dairy farmers would be feeling the effect of the vast accumulation of surplus butter which presents a problem to the federal government.

On the Prairies wheat in storage has reached an all-time record. The 1955 crop is of exceptionally high quality and under normal circumstances should find ready markets overseas. Every storage facility is filled to capacity and some millions of bushels lie on the ground with such protection as farmers can provide of a temporary character. The marketing policy of the United States is in some measure responsible for this situation but federal policies also play their part.

British Columbia growers have also reaped excellent crops of apples and other farm produce but there, like the prairie farmers with their Wheat Board, the producers are protected through marketing boards which feed apples and other produce to the markets in an orderly manner.

Generally speaking, the picture of regional average personal income shows Ontario and British Columbia on the top with the Prairie region next, and Quebec close behind in times of prosperity or a bit ahead of the Prairies in times of depression. The Martime region practically always brings up the rear. What is the reason for this persistent disparity?

I take it that no one will suggest that these long-standing differences mean that Canadians living in one province are any less industrious than Canadians living in the provinces with higher incomes, nor that their contribution to the welfare of Canada is any the less important.

At any rate, if any one did suggest that, I would immediately disagree, for it does seem that in the complex and interdependent economy of to-day anyone who would venture to measure how much any individual or any region contributes to national development is being rather rash.

A person who attempted to make such a measurement on the basis of what people actually earn now would be saying in effect that a person receiving a million dollars a year is making a contribution to Canadian welfare a thousand times that of somebody getting only a thousand dollars a year. I think, then, that we must assume that the people in the various regions of Canada are making their full contribution to national welfare, but then one must immediately say that they are not receiving full benefits from their participation in Canadian nationality.

It has often been suggested that Canada cannot long afford to watch its millions of neighbours throughout the world starving to death and casting envious eyes at our prosperity. In a similar way, Canadians, regardless of what province they may live in, cannot afford a situation in whch some people get a chronically smaller share of the national income in spite of the extraordinary efforts that they may put forward.

The poverty of some is a shadow directly and indirectly on the prosperity of others. Thus, it is of advantage to us to consider the economic problems which the people of other regions face for they are problems which residents of the province of Ontario must face as well.

When we look at the place of a region or a province in the national income scale, we find that it is determined to a surprisingly large degree by the extent to which that province depends upon primary extractive industries. Generally, the greater the dependence on primary industries, the lower the province ranks as far as income is concerned. And within each province, too, we find that the height of personal income is closely related to the degree of concentration on primary production.

Accordingly, the suggestion that in the modern world the numerous but generally small primary producer is at a bargaining disadvantage with the less numerous and relatively larger secondary producers or manufacturers goes far to explain Canada's regional economic problems. I think that is a reasonable statement.

At any rate, since each section of the economy today participates fully in the complex inter-relationships of today's world it does seem to follow that the distribution of the common product or the common income depends on these bargaining powers. I am not saying that in all cases this is due to conscious effort but that in the final analysis it is precisely what does take place. Let me explain what I mean.

Over the past few years there has been a substantial stockpile of wheat on the prairies which has not been sold. This has been exerting a downward pressure on the price of wheat and accordingly on the farmer's income. Now, the suggestion made to the wheat farmer is, well if you can't sell it all produce less. The point is that people making these suggestions are thinking of the reactions of industry to the same kind of situation.

What is the reaction of the automobile industry, for instance, when cars begin to pile up? Restrictions of production and lay-offs, of course. Thus, the price is maintained. But how can the farmer do the same thing? He can never guess how much wheat he is going to have at the end of the harvest. On comparatively the same acreage it may vary widely in the three prairie provinces. For instance, in 1937 the harvest was 157 million bushels and in 1952 664 million bushels.

An individual farmer may cut down his wheat acreage but his neighbour may increase it, so, unless there is concerted action such as can only be encouraged by the government it is impossible. But I must immediately add, that in my view, a policy of restricting food production while two-thirds of the people of the world are hungry, would be unsupportable. I have given this as one example of the type of problem that a region which is heavily dependent upon primary production has to face.

While secondary industries as a general rule are able to restrict production and thus maintain prices, primary producers generally are in a different position. But the point that I am getting at is that agriculture, because it is the most competitive in structure of any industry in Canada, finds itself in an inferior position as far as income is concerned. Accordingly, it is necessary for the nation as a whole to adopt policies that will compensate those sectors of our economy that are not in the advantageous positions that some of our industries are in.

However, I shall not go into what I think those policies should be. I have outlined them again and again. I have pointed out then that generally speaking those regions that are most heavily industrialized have the largest share of the national income. It is true that sometimes you will note a province like Nova Scotia which is largely industrialized but whose average income will be less than a less heavily industrialized province like Manitoba.

Still, within the Maritimes framework, Nova Scotia is ahead of the other provinces and the same relationship prevails. Why, then, we may ask, if there is an income advantage to industrialization, have some regions of Canada industrialized while others have not? At the time of Confederation, Maritime manufacturing was diversified and on the whole prosperous. At this time, Maritime leaders were hopeful, indeed, optimistic, that Confederation would mean a great spurt in their industrial development. For instance, Sir Leonard Tilley, speaking in the House of Commons in 1879 said, "I am not, I think, over sanguine when I say that the day is not far distant when the population in the Western country will be greater than in Canada and when the Maritime Provinces, with their coal, iron and water power, will be the manufacturing centres for this vast Dominion."

But with the opening of the Canadian West, the whole centre of gravity of the Canadian economy moved westward and the Maritime Provinces from having an ideal situation with respect to markets with every transport advantage, now found themselves on the far extremes of "an unnatural tariff-created national economy with every general advantage in industrial location enjoyed by Ontario and Western Quebec" as Prof. Keirstead said in his inquiry into "The Economic Effects of the War on the Maritime Provinces of Canada."

Although the steel industry of Nova Scotia flourished as a result of the steady market for steel rails in the Western provinces as they were opened up, practically all of the commercial benefits of the development on the Prairies went to Ontario and the Montreal area in Quebec. The national tariff and transportation policies contributed to that result.

Although, from time to time, popular waves of protest have arisen in the Maritimes and the Prairie provinces at what was felt to be the unfairness of some of these policies, these national policies have continued relatively unchanged. Yet, even without tariff walls, it seems clear that Ontario would be the most populous area in Canada as well as the centre of industrial activity. Sometimes it is suggested that the resources of southern Ontario, which is the manufacturing centre, practically cried out for industrialization, while a province like Saskatchewan was similarly meant by the nature of its resources to be agricultural. But southern Ontario once its forest cover was removed was no more and no less basically agricultural than Saskatchewan. If we could imagine southern Saskatchewan and southern Ontario interchanged, we could see that the wheat lands of Saskatchewan could sustain industry quite as well as the pastures, oat fields and fruit farms of Southern Ontario.

Clearly, the industrial advantages of Southern Ontario depend on its location—its location in relation to cheap fuel and raw materials from the iron and steel belt of the United States and its location in the centre of a Canadian economy that was built by national policies. Since location is such an important factor in determining whether or not, and in what direction, the resources of a province shall be developed, it follows that transportation policy has a very significant effect on the development of the various regions of Canada. This is particularly important in the case of the Prairie provinces. Located as they are in the middle of a vast continent and dependent as they are upon the sale of a bulky commodity to distant markets, and the bringing in of other goods to meet their needs as consumers, the Prairie provinces could never have been developed without an efficient transportation system. This was, of course, supplied by the railroads and it is clear that the heavy produce of the Prairie farms must continue to move to Fort William or Port Churchill or Vancouver by railroad.

Truck transportation for bulky commodities like wheat is out of the question. The railways have, and must continue to have, a monopoly of the handling of most of the agricultural produce of the West. Because the Prairie Provinces depend upon the railroads more than any other region, the impact upon that region of national transportation policy is considerably greater. But first, let it be said that the effect of national transportation policy on the Prairie region is related to another national policy, the National Policy of John A. Macdonald, which has been carried down to the present day, with some modification, it is true but in essentially the same form.

Accordingly, the fact that the Prairie consumer must transport his goods over a long haul from Ontario instead of a shorter haul from the American mid-west is related to the existence of an invisible line, the 49th parallel and substantial trade barriers that form part of the Canadian national policy. Not only then does a Canadian tariff policy stimulate the development of industry in the central provinces but it has the effect of providing traffic for the national railroads. Now the inhabitants of the Prairie region share the goal of an independent Canadian nation which these national policies were designed to achieve. For instance, the vast majority of Canadians strongly support an all-Canadian, and I believe publicly operated, gas pipeline even though the cost of construction of such a line may be a bit more than the construction of a similar line between the same points via the United States, for the advantages of an all-Canadian line are great. In the same way, Canadians supported and continue to support the policies of directing traffic north of Lake Superior through Northern Ontario instead of south of Lake Superior via the United States. Undoubtedly there has been a price to pay for this national policy.

The Prairie region is prepared to pay a part of this price but is determined that it shall not bear an unfair share. Water and truck competition in Central Canada tends to hold down rail rates in that region but there is no comparable factor in the Prairie region. Accordingly, it has frequently been suggested that, because of the monopolistic position of the railways on the Prairies, they are able to levy a higher freight rate than in the Central Provinces. Also, because the Prairie economy is bordered on both the East and the West by relatively uninhabited areas which are locally unproductive of rail traffic there is in consequence a heavier transportation toll on the products originating in the Prairies.

These freight rates are especially burdensome because of the long hauls involved in marketing the produce of the area and because they apply generally to low-valued bulky commodities. Moreover, many of the products are sold in markets where competing producers either have a shorter haul or have the advantage of cheaper forms of transport. Under such circumstances, as the Report of the Royal Commission on Transportation points out, (p.41) the tendency is for the freight burden to be passed on to the producer. On the other hand, Prairie consumers representing as they do only a fraction of the market of Central Canadian industry find that the tendency is for the Prairie consumer to pay the transportation charges on the goods they use. Because of this double impact of freight charges on the Prairie economy there has always been special concern about the level of freight rates.

In a diversified economy if the freight rates become too onerous a burden for one type of production it is always possible to shift production to commodities with a higher ratio of value to weight and accordingly escape some of the freight burden but the Prairie region is heavily specialized in primary production and it could not, nor possibly would it be of economic advantage to shift production to a sufficient degree. Furthermore, because of the long distances involved in shipping commodities to market, and because of their low-value, bulky character, freight charges are a high proportion of the total value of the goods. Freight charges also, linked as they are to the economic activity of the nation as a whole, fluctuate less than the income of the Prairie region.

For instance, during the thirties the schedule of rates remained the same from 1927 on, despite the fact that from 1928 to 1933 income dropped to a third or a quarter of what it had been. Accordingly, there is a general fear based upon experience that if freight rates are increased in periods of rising prices it may be difficult to have them lowered in times of falling prices. Therefore, at all the recent freight rate increases hearings of the Board of Transport Commissioners you found the Prairie provinces and the Maritime provinces solidly arrayed against the increases, with British Columbia joining in as well although not as much concerned because many of the freight rates of interest to her are held down by the competition of the Panama Canal shipping route.

Neither Ontario nor Quebec were represented at any of the hearings indicating the lesser impact of freight rates on the Central Canadian economy.

As has been said, the level of freight rates has a particularly significant effect on the level of the personal income in the Prairie region and accordingly is one of the regional economic problems about which we are concerned. This explains the objections raised to any suggestion that the grain freight rates held down by the Crowsnest Pass Agreement of 1897, and confirmed again in part by statute in 1925, might be raised. The Prairie wheat producer knows that if the freight on wheat shipped from his community to the head of the lakes or to Vancouver is raised by 5 cents a bushel, then his return will be reduced by exactly that amount. The relationship is as simple and as direct as that.

The cost to him of such a policy can be found at once by multiplying the freight rate increase by the number of bushels he has available for shipping. Accordingly, there would be not one resident of the Prairies who would support such a change. The Crownest Grain rates represent one method by which the people of the Prairie provinces have hoped by legislative action to mitigate to some extent their locational disadvantage and the cost to them of various national policies which have already been mentioned.

Another one was the pressure for, and eventual acceptance of, the "bridge subsidy", a subsidy to the railroads estimated to cover the additional cost of traffic moving on class rates through the non-revenue bearing region of northern Ontario so that the railroads might modify their rate schedules to eliminate computation of that stretch of track as far as the rate structure was concerned. This had the effect of cutting down the distance between the Prairie region and Pacific region and Central Canada. It has been said that the British House of Commons can do anything but make a "man a woman and a woman a man."

Perhaps the Canadian House of Commons does not have the same power but certainly its powers are quite vast when it can, by the mere passage of a bill, move a whole region 551½ miles closer to the rest of Canada.

Similarly, we have the Maritime Freight Rate Assistance Act designed to assist via a subsidy to the railroads the Maritime economy by lowering freight rate levels over what they might be. Location we have said has played an important part in determining the relative industrialization of the various regions of Canada. Location we may put down as a natural factor involving real cost disadvantages for some areas as opposed to others. But there are other factors involved in the complex freight rate structure as it has applied to the Prairie region that may be put down as artificial relationships although they have a real impact on the Prairie economy and create real regional problems. Some of these factors have operated against the establishment of local industry in the Prairie region that might depend for its success on a position of distant markets. We know that frequently the freight rate from Toronto to say a point like Edmonton will be more than the freight from Toronto to Vancouver even though the distance is less. This is, of course, due to the establishment of special trans-continental rates lower than the regular rates, competitive with the sea voyage from the Atlantic Coast to the Pacific Coast via the Panama canal.

For example, vegetable canning in Southern Alberta was inhibited, according to testimony given before the Royal Commission on Transportation (p31) because vegetables canned in Central Canada could move to markets in British Columbia at lower rates than vegetables canned in Southern Alberta even though the real freight costs from Central Canada would be much higher. The implementing of the one-and-a-third rule whereby the freight rate from Central Canada to an intermediate point may not exceed the trans-continental rate by more than one-third is just a recognition of this fact. This means, incredible as it may seem, that for many commodities, British Columbia freight-wise is closer to Central Canada than the Prairies. Clearly, this is another instance where the geography of this continent is shaped in such a way as to make regional problems more severe. Let me give one concrete example of the type of problem I mentioned.

In Northern Saskatchewan we find vast acres of valuable timber land that could be developed most usefully for pulp and paper. Over two years ago the Anglo-Canadian Pulp and Paper Mills, Ltd., expressed an interest in conducting a survey to investigate the feasibility of constructing and operating a newsprint mill in the Candle Lake area near Prince Albert, Saskatchewan. The company was granted an option on 2,000 square miles of the timberland and in addition a reserve area of some 4,000 miles was set aside to provide for future expansion of the Company's operations. It is estimated that such timberlands could support on a perpetual yield basis a mill capable of producing over 500,000 tons of pulp and paper per year. This, it is true, might be small when compared to the 4 million tons production of Quebec or the 2 million tons of Ontario in 1953, but it is still significant and would be especially important as far as the Saskatchewan economy was concerned.

After a survey the company estimated that in order to meet the mill costs of the other large Canadian mills the initial capacity of any contemplated mill must be at least 175,000 tons per year of newsprint. Then, on top of that must come the costs of transporting the commodity to markets in competition with closer plants. The company estimated that in order to sell this initial capacity it would have to seek markets not only in the Prairie provinces but also well southward into the United States and as far east as the American Eastern seaboard. Indeed, in attempting to estimate sales, it assumed that more than half of the newsprint would have to be sold in the area of Wisconsin, Illinois, Michigan, Pennsylvania and New York. Accordingly, since the current freight rates were too high and fell short of putting the Candle Lake operation in a competitive position, the company applied to the railways for freight rate reductions for development purposes.

One discovery, for instance, was that under the present freight rate structure, it cost more to send a ton of paper from Prince Albert to Regina than it does to send it from Prince Albert to Chicago. The Saskatchewan government played an active part in trying to obtain such freight reductions but although the railways made some concessions they were not nearly enough and the withdrawal of the company meant the indefinite postponement of the project.

The establishment of a pulp and paper industry would have marked a step in the diversification of the Prairie economy but it was blocked for the time-being by the location of the Prairie region and the non-co-operative approach by the railroads. The diversification of the economy of say, the Prairies or the Maritimes is hindered by yet another factor. The centralization of industry once started tends to be self-perpetuating. As the economist, Alfred Weber, puts it, there are "agglomerating factors" those when once there has been some concentration of industry in one area, give, from the mere fact of concentration, advantages to other industries in that area. These are the built-up supply of skills, both managerial and technical, the large-scale development of power, economies of size and natural industrial links such as the growth of an engineering industry where there is a demand for machines and so forth.

Accordingly, in order to do something about regional economic problems, governments must not only take steps that will balance the returns received by primary producers with secondary producers, but must play a positive role in planning investment on a broad front throughout the nation so as to counter some of the trends toward centralization that create problems not only for what we might call the under-developed areas, but also for those areas in which most of the development has been taking place.

The uneven distribution of income, of course, poses serious problems in the form of inequalities in the standards of public services that can be provided. Regional inequalities in income mean a smaller per capita tax base in some regions than in others and also mean that to provide the same public services, a much higher tax is involved in those regions with the lower income. Of course, in many cases, to provide the same services would mean prohibitive tax rates so that what we actually have in Canada is a serious mal-distribution of educational, and health facilities and so on.

In the field of education, just as an instance, according to the report "School Finance in Canada", New Brunswick with 2.4 per cent of Canada's tax-paying ability has 3.8 per cent of the school population, while British Columbia has 9.7 per cent of Canada's tax-paying ability and 7.1 per cent of the school population. Furthermore, expenditures on elementary and secondary education vary from $17 to $45 per capita among the Canadian provinces. And then, with the per capita tax-paying ability in one province being 2.3 times as high as the province with least ability, we should expect that the differences in standards would extend into other fields as well. This merely emphasizes the importance of programs like a national health plan and federal aid to education that will go far to eliminate the disparities in opportunities for abundant living that our young people face.

Rather a basic approach to the problem of enabling the ten provinces of Canada to finance their programs has been the tax rental agreements. I felt that the tax rental agreements marked a long step forward because they accorded with my basic conviction that the vast wealth of this nation was earned by the people of this nation working hand in hand and that it was only through accidents of geograhpy and constitutional provisions or interpretations of them by the Courts that more of the national wealth was taxable in one part of this country than in another. To me the tax rental agreements seemed to reconize that fact. It may be that at the present time the redistribution of income that may take place under the proposed new agreements might be as satisfactory as under the old, but I cannot but look into the future with foreboding.

The new suggestions introduce the so-called equalization grants which some of the provinces may regard as subsidies which will be paid by the richer provinces to some of the poorer ones. They are not subsidies but it may well be that the new steps being advocated by the federal government may lead future federal-provincial fiscal relationships into a welter of accusations and acrimony.

Decisions taken now should recognize that we are all Canadians, differing in our approach to many problems, but sharing a common interest in providing adequate standards for all our people. That, I feel sure, is the manner in which we should approach the solution of Canada's regional economic problems—several of which I have tried to touch upon.

"OUR COMMON WEALTH"

An Address by

SIR HARRY PILKINGTON
Past President of the Federation of British Industries

Thursday, December 1st, 1955

CHAIRMAN: The President, Dr. C. C. Goldring.

DR. C. C. GOLDRING: Sir Harry Pilkington is Chairman of a glass company which was founded in England in 1826 and is still owned and managed by the Pilkington family. I do not suggest that all the problems relating to the company's management have been solved during the long history of this firm, but it is a fact that Sir Harry has found time to serve his country in several capacities in addition to carrying out his responsibilities in the management of the Pilkington Glass Company.

He is the immediate Past President of the Federation of British Industries and on the occasion of his retirement from that office last April, the Manchester Guardian stated, "Sir Harry Pilkington has been the best spokesman British industry has had for a generation. He has tried hard to direct management opinion away from the restrictive and defensive attitudes of the past."

Recently, Sir Harry expressed one of his beliefs in the following words: "Every industry has its own particular problems, very many of which, I am sure, call for a positive, forward-looking and co-operative approach rather than relying on defensive measures against troubles that may never come."

Sir Harry is President of the Council of European Industrial Federations. He has taken part in Government committees on education, fuel efficiency, and civil service activities. In addition, he is a director of the

Bank of England. With such varied experience, he is going to speak to us on the topic "Our Common Wealth".

In welcoming him to our meeting to-day, may I say that the Empire Club of Canada appreciates his presence highly. We are always particularly happy to welcome a visitor from the "Old Land" and his fine reputation has preceded him with the result that we have a large attendance to-day and we know that many will listen to Sir Harry's address by radio.

SIR HARRY PILKINGTON: It is an honour to speak to the Empire Club in Toronto today, a Club with a scope and a name similar to that to which I spoke in Adelaide, Australia three months ago, at the beginning of a tour through some of the important markets served by my company, a tour on which I have had the chance of seeing how important the various parts of the British Commonwealth are to one another and how connected are many of the problems we face.

I am also very glad to be speaking here in Toronto today, since it was in the first days of December 1940, just 15 years ago, at a grim time in our history when Canada and Britain with the rest of the British Empire stood almost alone in fighting for the freedom of the world, that I spoke here to a small group of our own customers on our mutual economic contributions to the winning of the war and the subsequent peace, and to the strengthening of our countries.

On re-reading what I said then, I find that our problems have not changed much. The economic battle continues, Britain's solvency matters and the way to ensure it calls basically for the same steps. The effects of war on our economy were immediate and have lasted. Neither Britain nor Canada can truly prosper and ignore the needs of the other. Nor can they forget for long that the responsibility of greatness must match the freedom and authority for which we have striven together. Our common future and our common wealth depend on facing facts and not on relying on comfortable fallacies, whilst we live on our capital and our past. Britain needs far more dollars and must earn them from exports to Canada. Canada needs the British market and must earn it by contriving somehow to divert more of her purchases to Britain.

Every Canadian from Kitimat, B.C. through Edmonton and the Seaway to Cornerbrook in Newfoundland has an unquestionable belief in the future of this country. The events of the last few years, notably the discovery of oil in the Western Prairies, and the pouring of American capital into your country have strengthened that belief. These events have also strengthened the desire to bring that future nearer even more rapidly—more rapidly than you can achieve from your resources alone. I share that belief and your desire, and a great many of us in Britain are determined to help to the limit in your development. But it should be realized more widely that in Britain too, great changes have taken place. We, too, have a tremendous belief in our own future. We, too, think we are on the threshold of a new era, a better and more prosperous one, and we, too, know that our achievements will now be limited only by our resources, of manpower and of capital equipment.

There have been those throughout the world who have thought of Britain as declining and finished, as a country that never had more than one basic raw material, coal, and not enough of that; dependent—as indeed we are—on industrial output and export for our livelihood. Declining or decadent! Rubbish! It is by industry, by enterprise, ingenuity and competitive determination that we have come so far already. We are not yet in the clear. We are still under-equipped to face the tasks of the world in which we are going to live in the future. Our exports though rising every year are rising less than our imports. Our payments are not balanced. But our recovery, as every visitor knows, has been greater and much faster than ten years ago seemed conceivable.

For a time perhaps British industry may have seemed unreceptive to the need of change and expansion, but recently we have witnessed a real revival of spirit, one to which Mr. Butler himself referred to as transforming our approach to Production problems. This revival of spirit has called for so much new investment in productive industry that we have almost gone too far. All this has been coupled with the discovery that there is more than enough work for all in Britain, and that manpower is a scarce and valuable commodity. We have discovered too, that the industrial revolution is by no means over but is proceeding faster than ever and is entering a new phase, a phase of which we are by nature and by experience well equipped to take advantage. The demands on us and our resources are, therefore, almost unlimited and they need an optimistic and adventurous attitude to industrial problems.

This new Elizabethan era, if we are prudent as well as bold can outshine its forerunner of four centuries ago. It can be one of great prosperity and great activity, an activity of the mind as well as of muscle and of materialism.

If, as many people in Britain and I think here now believe, the conditions of the fiftys and sixtys are fundamentally different from those of the twentys and thirtys, then we must face the problems arising from the new conditions with different ideas. In an expanding and bursting economy there can be little place for any of these restraints on trade, internal or international, private or governmental, that were deemed necessary in times of defensive thinking and of depression. More liberal practices must prevail. The trend must be away from controls towards freedom, towards the best use of resources. The pleading of special interests in any country for particular protection against harsh competition from outside should receive scantier sympathy than it would in other times.

Now one consequence of the change in Britain with full employment, is that there is no longer the inclination to emigrate simply from desperation. No one now need to be out of a job at home. We are fully employed in Britain to an extent far greater than here. I find that people are startled when I state that we are short of people in Britain. We are fully employed, and we are short not only of skilled craftsmen, but of all kinds of labour.

At the moment we are in fact over-employed because of the tremendous upsurge in trade in the United States twelve months ago. But even when that particular phase of activity is passed, we can see work for all of us for years and years ahead, provided certain shortages resultting from lack of manpower do not themselves cause dislocation and increase our costs too much. To give you a figure, we have now 500,000 unfilled vacancies notified at labour exchanges. This is the highest figure on record, at any rate in peace time. Shortage of labour is rapidly becoming the position all over Europe. That means that the spur that led so many to emigrate in days gone by no longer exists. The flow of voluntary emigration from Britain will surely be less than you need for your rapid growth since we too have to face this shortage of manpower as one of our main national problems. Many people will still emigrate from a sense of adventure. Those are good citizens for our common future. Those are the people that we and you like to see helping to people the empire.

Many British firms, too, setting up overseas branches and expanding, will still draw on their scanty resources and encourage some of their skilled people to settle here; but there will not be any planned or mass emigration from Britain.

There are many competitors for our people since the world is on the move, since so much of it is developing fast and relying on immigration to help the process. I have seen this in Australia and in New Zealand. They too want more people to leave Britain than are going to do so. In the years ahead it will have to be really attractive to come and live in Canada if you are to draw from the United Kingdom enough of those whom you and we would like to see settling here. No small part of our Common Wealth lies in our common way of life, our common heritage and for many, our common ancestry. That we must preserve and perpetuate. Our people must constantly mingle and we must contribute to your growth. That leads me to another topic, one on which I have not touched elsewhere.

At the present time, as everyone here knows, there is not full convertibility between the pound and dollar—the two main trading currencies of the world. There is also some inconvertibility within the sterling area between the British pound and for example the Australian, since imports have still to be limited for balance of payments reasons. The Australians, and some other parts of the sterling area, are not free to import all they wish from us because they are not earning enough sterling just as we are not earning enough dollars. Within the sterling area this has not really affected at all the freedom of the movement of people. As between you and us it has. That has already gone on too long. We must not live in Britain forever cut off from the opportunity to visit you and our cousins south of the border as and when we wish. But we have not enough dollars to allow any for friendly visits here. That is a freedom not yet returned to us. No-one would tolerate a restriction of this kind within the empire a moment longer than necessary. The fact that we still have to enforce it is a measure of how far short of safety in dollars we still are. But that is not all. We in common with other advanced countries of the free world are faced with very heavy burdens in trying to improve the lot of our own people and to rise the standard of living in our country at the same rate at least as is done elsewhere. We must try to maintain an adequate defence for as long as may be necessary and to take our full part in the development of the so-called "under-developed countries". On our success may well depend the ultimate decision of many uncertain countries as to which of two irreconcilable systems, ours or totalitarian, should be theirs. All that is at stake. How does Britain stand?

Ever since the War we have been either acutely short of dollars and dangerously near to being in debt to the rest of the world as well, or else recovering, but unable to build up reserves for future shocks fast enough. We in Britain can balance our current trading account with the world taking one year with another, but we need a current surplus of at least a billion dollars a year to pull our real weight in the world, to balance all our payments, and that must come from industrial exports. It is on the proceeds of our industrial exports that we live, just as you live on the exports of wood and some other primary products. Most of our food, most of our raw materials, we must import. Now with our increased industrial demand for it we are even having to import coal—coal, which used to be a main pillar of our export trade—to ensure that we do not have another disastrous stoppage of industry such as we had in 1947. For that coal we are having to pay a high price in valuable foreign exchange, including dollars, which must be recompensed by yet more industrial exports. After paying for all the imports that we need to maintain even our present standard of living, we have still to earn enough to pay our formidable wartime debts, interest and capital. That is of course a matter of honour, but also one of practical importance in a world that increasingly will give credit only to those who have proved trustworthy. Then we must build up much greater reserves as a cushion against further shocks—shocks to the sterling area such as a fall in the price of wool or in the demand for it. Our reserves will not be adequate until they are at least 50 per cent above their present level. Then we must also pay for defence, which is to quite a large extent an overseas obligation. Only after all those burdens have been met can we face the more exciting, constructive development of overseas territories—particularly the development of the Commonwealth—and not only what are usually thought of as the undeveloped countries. Despite the present great disparity in standards of living, it remains as important that there should be a ready quick flow of capital, of materials and machinery, of goods that may for the moment represent unrequited exports into Australia and into Canada and into New Zealand as it is into India, the West Indies or West Africa.

When we in our small Island with our small population of 50,000,000 see how much greater are the areas and how many times bigger are the numbers that depend on us for their future, upon our resources, our capital and our enterprise as well as their own, we might well flinch and think it so formidable a task as to prefer to spend now and not to invest in the future. A figure of a billion dollars beyond the immediate balancing of our current account, difficult to reach though it may be, is little enough. If we had twice that sum then we would still find fruitful opportunities to invest it abroad and to join in the raising of the standards of living of those other countries on whom we in the long run depend, and to which we are bound by ties of friendship and of common allegiance to the Crown. That is our tradition and our heritage. It is a task we gladly share now with other countries. There is more than we can do alone—but a task that for every reason we will not abdicate. I am sure that in our lifetime, if we continue to adopt a vigourous, expanding attitude, if we are never content to become a small island with an influence appropriate only to its size, but try instead to play our part in leading the world along the paths of peaceful progress, then we will never have enough resources. There will always be a demand for more. There will always be a need for enterprise and for saving, for economy, vision and prudence.

How can we achieve all these tasks? We can do it only if we become fully competitive. If we offer value for your money and for other people's money with which to buy from you and from other people the goods which we need, we can do it. There is no other way. We must produce and sell competitively. That is our problem, not yours. Eventually payments will be balanced at a low level or a high one. We in Britain cannot afford to balance our payments at a low level. We do not expect to balance them on a bilateral basis with other countries with whom we trade. That is the surest way to reduce trade to a minimum. On the contrary, we do want to live in a world where there is the freest possible movement of money and of goods. This has been the view of our government and of all the Commonwealth governments since the Prime Minister's conference of 1952. What is more, it is the view held by most of the European governments under the leadership of the O.E.C. and within Europe against great difficulties, real progress has been made in freeing the flow of trade among those countries. Britain and Canada have been two of the countries who have done most to show their faith against pressure from interests. Liberal trade policies are most conducive to continuing economic strength.

Now at the present time, we in Britain have taken on too much based on the new enthusiasm. Now we are having to hold back on much expenditure for consumption at home and even to return to a policy of make do and mend, of postponing really useful capital expenditure in industry and in the public sphere in the interests of immediate exports. Over here it is said sometimes that we have been extravagant and are spending altogether too freely. That may be so, but we are not spending nearly as freely as you are doing here. Take motor cars, that touchstone of modern standards. Even now we have been exporting a very high proportion and accepting slow delivery at home. Even now our models are smaller than yours and we still make them last longer, and the same goes for many things. We are accustomed to having to have an export surplus so as to be able to invest in Canada and elsewhere. You are still accustomed to having an unbalanced trade made good by the import of capital from overseas. That is what helps to keep the Canadian standard of living high. We have no complaint about that. I believe that we can furnish really good value for your money. The visits of those missions that have gone to Britain from Canada, to see how much of their purchases they could profitably divert to Britain, to reach that 7 or 8% of all that is now bought from the U.S.A., have been successful and have proved that we have the value to offer. I do not believe that we are yet making the merits of our wares sufficiently well known in this market. And just at this moment, of course, delivery of many goods is slow and not reliable due to the effect of the tremendous boom in the United States. If our delivery of some things are slower than from elsewhere then it is just because our products are in such demand all over the world.

Let there be no doubt we want your goods—and more of them—more of your wheat, your fish, your lumber and fruit, and your cars. We want them and we must be able to afford them. Lately our imports from here have increased much more than yours from us. That cannot go on since we are already so unbalanced. We must sell more here, and you must try yet harder to buy from Britain realizing what is at stake. The longer we have to restrict imports for balance of payments reasons the more do vested interests grow up relying on the permanence of these barriers. That is bad for both of us, especially for you. Time is not on our side.

Finally, a quick word about labour relations. We have very few strikes in Britain, not nearly as many as you imagine and not nearly as many in percentage of days lost as you here, not to mention the U.S.A. However our margin of safety, our flexibility is much less than yours and much less than before the war, and such strikes as have taken place, notably in the docks, have a quite disproportionate effect. Bad though the dock strikes were, their psychological effects and the diversion orders to sources of supply where the bottleneck of an island's ports did not exist, were much worse. Such strikes happen occasionally. This wave of strikes is past. By their exceptional character they serve only to highlight the excellent and constructive co-operation between management and labour in the attempts to raise productivity. In the field of human relations in industry, we in Britain have much to learn but more to teach the world.

Today great issues are at stake—great issues of progress and peace and freedom. We and you share with others the responsibility of showing that part of the world that is still uncommitted what are the advantages of our way of life in prosperity and in human dignity. We must lead. The price of leadership in the free world is a very heavy one, calling for sacrifices, but it is always worth paying when you contemplate for a moment the cost of not leading, of being led by others. We are in this together. Our eventual prosperity and wealth is indeed common to both our countries.

"THE NEW COMMONWEALTH AND NEW CANADIANS"

An Address by

HON. JOHN W. PICKERSGILL, P.C., M.P.
Minister of Citizenship and Immigration

Thursday, December 8th, 1955

CHAIRMAN: The Second Vice President, Lt.-Col. W. H. Montague.

LT.-COL. MONTAGUE: Our distinguished speaker was born in Ontario and educated in Manitoba. He graduated from the University of Manitoba as a B.A. in 1926—securing his M.A. from the same university in 1927. He studied history at Oxford University from 1927 to 29 doing post-graduate work there and in Paris at intervals until 1937, when he entered the Civil Service of Canada on appointment to the Department of External Affairs at Ottawa. He was immediately attached to the office of the then Prime Minister, the late Right Honourable William Lyon Mackenzie King. He was appointed Clerk of the Privy Council and Secretary to the Cabinet in June 1952. Thus, at a comparatively early age, he had reached the top rungs of the civil service ladder.

Now when a prominent and highly successful business or professional man announces that he will offer himself as a candidate for a seat in the House of Commons—that's news!—most people realizing that his decision, if he is elected, will mean substantial financial sacrifices as it will be impossible for him to give other than very divided attention to his business or profession. On the other hand, defeat at the polls means taking up the reins where he left them.

But when a top flight member of the Civil Service of

Canada announces that he will offer himself as a candidate for a seat in the House of Commons — that approaches the sensational!—as Section 55 of the Civil Service Act reads:

> "55. (1) No deputy head, officer, clerk or employee in the Civil Service shall be debarred from voting at any Dominion or provincial election if, under the laws governing the said election, he has the right to vote; but no such deputy head, officer, clerk or employee shall engage in partisan work in connection with any such election, or contribute, receive or in any way deal with any money for any party funds.
>
> (2) Any person violating any of the provisions of this section shall be dismissed from the Civil Service."

There can be no part time performance as a civil servant turned politician. Thus the die has been cast in favour of greater service to the nation—in the legislative field rather than in the administrative — but always subject to the will of the electors.

It is just over two years since our Speaker made such an important decision—important to Canada and, certainly, important to him.

It is just about two years ago to the day that as Secretary of State for Canada he addressed the Empire Club in these surroundings.

Now he comes to us as Minister of Citizenship and Immigration, since July 1954, and will deal with the subject "The New Commonwealth and New Canadians."

With respectful pride I present the Hon. John Whitney Pickersgill, P.C., M.P., for the Newfoundland riding of Bonavista-Twillingate.

HON. J. W. PICKERSGILL: It is just two years since the Empire Club of Toronto had me as its guest for the first time. On that occasion, I spoke on the theme "Mr. Mackenzie King and the Development of the Commonwealth." I came here with some apprehension that my first appearance might be my last, and I am really flattered that the Empire Club should have invited me for a second time.

I want to start today where I left off two years ago. My theme is the New Commonwealth—the Commonwealth Mackenzie King had such a large and decisive part in shaping—the New Commonwealth and New Canadians.

I dare say some of you may have wondered what real connection there is between the two halves of my subject.

It is reasonable to assume that the older Canadians value and cherish the Commonwealth and Canada's membership in that unique association of free nations. That is certainly true of the members of the Empire Club.

But what about the newcomers who have settled in Canada in hundreds of thousands since the war? What is their attitude to the Commonwealth? What, indeed, do they understand by the Commonwealth? The answers to those questions are important to the future of Canada—and even to the future of Toronto.

Toronto, you know, has been the mecca of our post-war immigrants. I estimate that about one person in every eight in Metropolitan Toronto is either a post-war immigrant or the child of a post-war immigrant. You in Toronto, and all of us in Canada, have a stupendous task before us in integrating these new settlers into our community life. And that task will be all the harder because we must keep up the flow into Canada of this stream of new settlers, if this country is to go on with the dynamic development we have enjoyed in the past ten years.

But, if we are going to integrate these new settlers into our Canadian community, if we are going to make them Canadians, we have first to make them understand what kind of country Canada is, what kind of institutions we have and what kind of relationships we have with the rest of the world. And, historically at least, the most important of our relationships with the rest of the world is our association with the Commonwealth. As I reminded you when I spoke here two years ago, Mackenzie King was convinced that, for Canada, association in the Commonwealth could survive only if each nation of the Commonwealth had complete freedom to make its own decisions on a basis which would leave no doubt of the constitutional equality of all members of the Association. And it was because he insisted on this conception of Commonwealth that a united Canada stood at the side of Britain in September of 1939.

The other day I came across a speech delivered by my friend, Mr. G. V. Ferguson, the Editor of the Montreal Star, to the Canadian Society of New York on Empire Day, 1951. "A few years ago,'" Mr. Ferguson said in that speech, "I would have found it hard to believe that I would find myself extolling Mackenzie King as an Empire Builder." But he felt justified in using that description because, as he said, though Mackenzie King's policy was not one of narrow, unquestioning loyalty to the British Crown, "it was a policy which never denied the real essentials of imperial co-operation. Mr. King forced open the door which led to the creation of the Fourth British Empire—the Commonwealth of the London Declaration of 1949, the Declaration which made the reconstruction possible of the political association of peoples who, in other circumstances, would have drifted hopelessly apart." Far from driving the nations of the Commonwealth apart, our whole Canadian constitutional evolution has had the opposite effect.

My old teacher, Professor Chester Martin, in his recent book "Foundations of Canadian Nationhood" has put it very well in these words: "Canada has emerged by evolution from the second empire, after historic passages of political conflict but with parliamentary government fortified by British precedents and so charged by common traditions and practice that she remains in association with kindred nations of the British Commonwealth in every quarter of the world. It can scarcely be denied that the method itself determined function as well as form; for if the high road of revolution led to isolation, the low road of evolution led to association. Canada assuredly did not reach nationhood first (that is before the United States) but the record would seem to show that she reached it in the end by a process which kept her more closely in association with world forces of peace and freedom, and left her for nearly a generation before the outbreak of war in 1939 much nearer to an international world order." And it was assuredly the conception of equality and the association founded on a common conviction of common interest that held the Commonwealth together in the terrible testing period from 1939 to 1945. And it is surely the common interest in achieving, in concert with other nations, an international world order based on peace and justice that is the abiding bond of the new Commonwealth of these post-war years.

It is nearly half a century since Sir Winston Churchill said that the British Empire represents more than any other similar organization had ever represented, "the peaceful co-operation of all sorts of men in all sorts of countries and . . . . it is, in that respect at least, a model of what we hope the whole world will some day become." Pride in our association in that kind of Commonwealth is something all Canadians, old and new can share equally. The struggle between two different conceptions—the conception of Empire and the conception of Commonwealth—goes right back to the very beginning of the history of Canada as a British Community.

When my ancestors crossed the Niagara River after the American Revolution, they settled in a colony in the backwoods of North America in which the first Governor, Simcoe, tried consciously to establish a society constructed in the image of the aristocratic society of eighteenth century England; a colony which was to be a little England overseas. For the most part that experiment was a failure. Simcoe's squirearchy never really took root, and his established church was never established in the minds of the people. But one English export did flourish in this new environment. In 1791, the new province of Upper Canada was endowed with representative political institutions and the Upper Canadans took to politics, if I dare use the homely simile, like ducks to water.

And it is obvious that, if English political institutions had not been established successfully in the Canadian provinces, there could have been no Canadian Confederation and no Canadian nation as we know it today. And if there had been no Canadian nation there would have been no Commonwealth as we know it. For the real germ of the modern Commonwealth is Responsible Government as our Canadian forebears worked it out here on Canadian soil. And in working out Responsible

Government, the Canadians of a century ago also learned that Canadians were not just Englishmen overseas.

You all remember that after the rebellion of 1837, Lord Durham was sent out from England to prescribe a cure for the ills of the Canadian provinces. Durham's prescription was to unite the two Canadian provinces into one, with only one official language, and with the deliberate intention of turning the French-speaking inhabitants into Englishmen. But, in order to turn the French Canadians into Englishmen, and in order to keep Upper Canada within the British Empire, Lord Durham also recommended that the people of the new united province of Canada, like the people of England, should, in all domestic matters, be allowed to govern themselves, and that the executive authority in the province should be responsible to the elected assembly. In other words, Durham recommended what the Canadian and the Nova Scotian reformers had been demanding and what we have ever since called Responsible Government.

Now the union of 1841, which Lord Durham had recommended, was the real beginning of the Canadian nation, but it did not take the Parliament of the new Province of Canada long to decide that one of Lord Durham's prescriptions would never work. French-speaking Canadians just could not be turned into Englishmen. And that is why, with rare political wisdom, the Canadian Provincial Parliament with an English-speaking majority seized the first opportunity to restore to the French-speaking minority in that Parliament the right to use their language as one of the official languages of Canada. That action laid the real cornerstone of the Canadian nation.

In the quarter century between the union of 1841 and Confederation, the people of Upper Canada and the people of Lower Canada began to accept the fact that French-speaking Canadians and English-speaking Canadians were going to go on living in these two provinces side by side for so far ahead as one could look, and that each group would continue to speak its own language and maintain its own culture and traditions. That was the first and perhaps the hardest lesson we Canadians had to learn if we were to have a united Canadian nation. But if one of

Lord Durham's prescriptions failed to work there was no doubt about the success of the other.

After the first shock to the old Family Compact, Responsible Government was accepted by all Canadians. And as the Reformers like Robert Baldwin had always maintained, once the Canadians gained the right to manage their own public affairs for themselves, there would be no further desire in any part of Canada to end the British connection. And we have maintained the British connection only because there was no further attempt to limit our right to manage our domestic affairs; and because, after Confederation, as Professor Creighton shows in his new book "John A. Macdonald—The Great Chieftain," the public men of Canada promptly set about achieving Responsible Government for Canadians in our external affairs. Canadians of British descent, precisely because they are of British descent, simply had to govern themselves. But our Canadian national sentiment might have developed side by side with a traditional loyalty to Empire based on blood and race, much as national sentiment has in New Zealand, if our Canadian historical development had not been so very different from New Zealand which, in many ways, could remain a Britain overseas.

From the time British Columbia entered Confederation in 1871 we Canadians have had the gigantic task of creating a single united community out of a small scattered population spread thinly for four thousand miles across a continent; and living constantly in the shadow of the most dynamic nation in the modern world. Even today we have barely completed the process of making Canadians, spread thinly across half a continent, feel they are really one people with only one homeland. The unity of the country was still largely formal at the turn of the present century, when the Western plains were opened up for mass settlement not merely from the older parts of Eastern and Central Canada, but from every country in Europe. Without the settlers from Ontario and Quebec and the Maritime Provinces who went west early in the twentieth century, there could have been no enduring Canada from sea to sea.

Even as it was, the newcomers from the continent of

Europe — the Germans and the Scandinavians and the Slavs — came so quickly and in such large numbers that many of the older Canadians of a generation ago sometimes doubted whether so mixed and apparently so incoherent a society could be transformed into a really united political and social community. But most of the newcomers were adaptable people and there were enough older Canadians from the east to provide a Canadian background and to serve as the bond to keep the west and the east united as one country.

We did not succeed in turning the Icelanders and the Germans and the Ukrainians and the Poles into Englishmen, or Scots or Irishmen, but they did become Canadians; and the present generation in the west is just as proud of Canada, and just as much attached to Canada, as the farmers of Quebec who have lived for three centuries on the same piece of land, or as my cousins in Norfolk County who are still farming the Loyalist grants they received before the end of the eighteenth century. Though the settlers of the west did not become Englishmen, they have become attached to our heritage of English political institutions, to our heritage of British justice, just as they have also learned to cherish the Canadian tradition of live and let live which is the foundation of our national partnership. We older Canadians are inclined to take for granted this gradual evolution of Canada from a colonial relationship to a partnership with Great Britain as equal member nations of the Commonwealth; but that evolution is not always understood outside Canada, and it is often misunderstood by the newcomers to Canada.

Now, as you know, I have a special responsibility as Minister of Citizenship to encourage and assist the newcomers to become citizens of our country, and it is not easy to be a good citizen without first understanding the nature of our citizenship. For the newcomers it is really necessary to define many things that we older Canadians are able to take for granted, and that some of us would perhaps rather not define. When a newcomer becomes a citizen of Canada, we ask him to renounce his former citizenship. To give up the citizenship in which one was born and reared should be a hard step for anyone to take, and no one wants to take it unless he is convinced that he is acquiring something of greater value to him and his children in his new citizenship.

At the close of the last war, most of us had reached the conclusion that the status of British subject was no longer precise enough to define our status as Canadians and that is why, in 1946, Parliament enacted the Canadian Citizenship Act. Canadian citizenship today is something we are all proud of, but it is specially important to the newcomers who want to feel that in giving up their allegiance to their old country they are becoming members of a new community. It is true that, under our law a Canadian citizen is also a British subject; and that no doubt helps to emphasize our continuing association in the Commonwealth. But it is interesting to note that, in 1948, the United Kingdom found it desirable to follow our example and establish a United Kingdom citizenship by an Act of Parliament based largely on our Canadian Citizenship Act.

Now, we all know that external, symbolic things do not make a nation—they are only the outward and visible signs that a nation exists. But we should not forget that it is outward and visible signs that are what the newcomers see first before they begin to penetrate into the spirit of the new nation. That, I believe, is why all parties in Parliament welcomed the change in the Royal Style and Titles which was made before the present Queen was crowned: a change which resulted for the first time in our Sovereign being officially described as the Queen of Canada. For the New Canadians particularly the fact that Her Majesty is recognized by name as the Queen of Canada helps them to appreciate the true nature of our institutions. And it is important that the new Canadians should understand the true nature of Canada's association with the Commonwealth of today.

As I said when I spoke to you two years ago, no one knew better than Mackenzie King that, for fifty per cent of Canadians, Britain was not and could not be a Mother Country in the sense she can be for those of us of British descent. We simply cannot expect those whose ancestors came from other lands to respond to the mother and daughter concept of Empire. The Commonwealth of today is a very different thing from the British Empire of 1867 and even from the British Commonwealth of 1926. In 1955 the vast majority of the people in the Commonwealth are Asians. And two of these Asian members of the Commonwealth are republics. Yet no one doubts that the Commonwealth still exists and that it is still a powerful influence in world affairs. The Commonwealth association is, of course, only part of our association with the United Kingdom.

As this country has grown into nationhood, the direct relations between Canada and the United Kingdom, in almost every sphere, have become closer. We have been comrades in arms in the two greatest wars in history. We are partners in peace. We are allies in the North Atlantic Alliance, and it is impossible to doubt that, in a shrinking world, our association will continue to be closer and closer. But that intimacy of association is based far more on community of interest, on common attachment to the same kind of political institutions, and on similarity of outlook than it is upon the relics of a former imperial relationship.

I have already reminded you that more than half the Canadian people today had no ancestors in the British Isles and they cannot be expected to have any attachment to Great Britain based on racial memories or family traditions. Yet the vast majority of these Canadians are attached, and each generation more deeply attached, to our British political institutions. And it is these British institutions and British traditions that we have naturalized here in Canada, that have become part of our environment, that we want all Canadians, whatever their origins, to cherish. I am convinced that it is only through devotion to Canada, to Canadian institutions and Canadian associations, that will bring the new Canadians to share our pride, as Canadians, in belonging to that unique and beneficent world-wide comity of nations which is our Commonwealth.

"Christmas Meeting"

With

MR. ERIC LEWIS
and
THE GENTLEMEN AND BOYS OF THE CHOIR
of the
Church of St. Simon the Apostle
featuring
"Christmas in Song"

Thursday, December 15th, 1955

CHAIRMAN: The President, Dr. C. C. Goldring.

DR. C. C. GOLDRING: It is a pleasure to welcome to the Christmas meeting of the Empire Club of Canada so many members along with their wives, some of their older children, and family friends. For many years now our Christmas Party has been one of the most popular events of our season. Particularly, I should like to welcome the ladies to-day. We are happy to have them with us and assure them that they will add charm and grace to our party. I hope they enjoy being with us as much as we enjoy having them here. Parenthetically, I might add that our next Ladies' Day will occur on March 8th, in case a few husbands may forget to inform their wives.

As we approach the Christmas Season, our thoughts naturally turn back almost twenty centuries to those events associated with the birth of Jesus Christ. Joseph and Mary had travelled a long way. They were tired and sought to find a place of rest. Apparently there was no room in the inn so they accepted the rough accommodation of a manger. It was there that the Christ Child was born, for we read:

"And she brought forth her first-born Son and wrapped Him in swaddling clothes and laid Him in a manger because there was no room for Him in the inn."

For nearly two thousand years mankind has been making decisions in the light of the significance of the experiences in Bethlehem that evening. Millions of people of many races and creeds have found a place for Him in the inn. Others have relegated Him to the manger. That which is good and fine and noble in the lives of men and of nations is the result of a decision to invite Him into the inn. Much of the world's pain, anguish, and sorrow results from the fact that there are many who still relegate Him to the manger. It is the earnest hope of men of goodwill that in the years ahead He may be invited into more and more areas of human experience. This is the hope that is emphasized again and again at the Christmas Season.

Annually we catch a glimpse of a better world at this time of the year. Smiling faces are evidence of a feeling of good will towards those we meet, but sometimes this spirit of good will does not continue as long as it might. We give Christmas presents to our friends. There are other Christian gifts which we can distribute throughout the year, such as the gift of goodwill, the gift of cheerfulness, the gift of friendship, the gift of kindliness. These and other similar qualities are life's riches symbolic of the spiritual values upon which people must ultimately rely. Throughout the year, if we can continue to give love, undertsanding, sympathy, and show tolerance to others, we shall have a small part in advancing that era for which we hope and in which there will be "peace on earth; goodwill to men."

Let us all observe Christmas this year with joy and happiness, and with a recognition that it is a great religious festival. Let us point out the true significance of Christmas to our children so that we may help to transmit this great Christian heritage from our generation to the next.

At this time I am happy to introduce the Choir of the Church of St. Simon the Apostle, which is well-known throughout Canada and parts of the United States for its broadcasting of Christmas music over CBC. For some eighteen years now, this choir has sung in the Eaton Auditorium under the title of "Christmas Music in Court and Cathedral." Mr. Eric S. Lewis is the distinguished choirmaster and organist of St. Simon's Church. He is a graduate of the Royal Conservatory of Music and did post-graduate work in church music in England. Mr. Lewis has given outstanding leadership in St. Simon's Church in the field of music and it is a privilege to introduce him and the gentlemen and boys of his Choir at this time.

The audience then enjoyed an outstanding presentation of traditional Christmas Carols.

"YOU AND YOUR DOCTOR"

An Address by

DR. T. CLARENCE ROUTLEY, C.B.E., M.D., Ll.D.
President, The British Medical Association,
President, The Canadain Medical Association.

Thursday, January 5th, 1956

CHAIRMAN: The President, Dr. C. C. Goldring.

DR. C. C. GOLDRING: To-day we welcome as our guest speaker a resident of Toronto who has attained prominence in his chosen profession in Canada, in Great Britain, and in world organizations.

After graduating from Parkdale Collegiate Institute, Clarence Routley attended the University of Toronto, graduating in Medicine in 1915. He served for four years in World War I. In 1918 he became Secretary of the Ontario Medical Association and held that position for twenty years. He was also General Secretary of the Canadian Medical Association from 1923 to 1954. In World War II he served for four years as Executive Director of the Canadian Medical Procurement and Assignment Board. He was awarded the C.B.E. in 1945 in recognition of his war service. He has taken a prominent part in the organization and work of the World Medical Association and was Chairman of its Organizing Committee in 1946, and of its Council from 1947 to 1951.

Dr. Routley has been honoured by receiving an Honorary LL.D. degree from three universities, namely, Queen's, Dalhousie, and Toronto. Now, at the beginning of 1956, our guest holds the following important offices:

President, British Medical Association;
President, British Commonwealth Medical Conference;
President, Canadian Medical Association;
Consultant, The World Health Organization;
Consultant General, The World Medical Association.

It is a matter of pride to the citizens of Toronto that Dr. Routley has attained such prominence in the medical profession and has given such significant leadership in his chosen field. We extend to him a warm welcome to this meeting of the Empire Club of Canada and congratulate him on the high offices he now holds. He will address us on the subject "You and Your Doctor."

DR. ROUTLEY: It is indeed an honour to be invited to address the Empire Club of Toronto and I wish to thank you most cordially for your kind reception.

I am informed that among the aims and objects of the Club, established more than fifty years ago, the advancement of understanding and harmony throughout the Empire has been most assiduously promoted and cultivated. In these days we do not refer to the grouping of the British Nations as an Empire, although I must confess that I still like that word and it is pleasant to realize that it will live on in the terminology of Clubs such as your own.

As President of the British Medical Association, the British Commonwealth Medical Conference and The Canadian Medical Association, all three bodies cherishing aspirations similar to your own, I am happy to bring you greetings from more than one hundred thousand physicians encircling the Globe—truly a family within the Commonwealth with a common denominator of service to humanity, and a common allegiance to a gracious Queen.

This is your first meeting of the new year. There is always something interesting and intriguing about first things, be it the winter's first flake of snow or the first flower of spring, or a baby's first tooth, and I venture to think that part of our interest in the dawning of a new year derives from the fact that in a sense we begin life over again—the slate is cleaned and a fresh start is made.

According to Roman mythology, January derived its name from the god Janus, known as the "spirit of beginnings", the deity who was invoked at the commencement of all undertakings—the god of the beginning of the day, the beginning of the year,—a double headed deity with one face looking backward and one looking forward, truly symbolic of the month which inspires in all of us thoughts of the past as well as speculations and resolves for the future.

For many of us, perhaps all of us, this is a time of reassessment and decision, of realistic self appraisal and optimistic planning. But our plans, if they are to reach fruition, must be built upon sound foundations. It is out of our yesterdays that we gather the ingredients for future planning. It is out of our tomorrows that we anticipate hopefully the course which we desire to follow.

May each one of us like Janus be permitted to look backward and forward in the sure confidence that, come what may in 1956, our way shall be illuminated and our path made straight.

It is in this atmosphere of looking backward and forward that I would like to direct your attention to some of the problems which confront you and your doctor—in the aggregate, problems of national importance to all Canadians—problems of health and happiness without which no nation can hope to reach its optimum of accomplishment.

Our yesterdays have witnessed great strides in social security in Canada. Each year since the date of Confederation has seen an extension of Government responsibility for the citizen with considerable acceleration of interest and action during the past ten years.

We have come to accept without question our social responsibilities to the aged, to the infirm, to the blind, to the motherless, to the burned out war veteran, to the indigent and to the unemployed. We have long since taken for granted the need for state participation and intervention in the field of public health. We have recognized that to a considerable degree the welfare of all of us is the responsibility of each of us and we have found ourselves contributing both voluntarily and compulsorily to philanthropic and Governmental funds to make social services available and possible to an increasing number of our fellow citizens.

What has prompted this ever widening and expanding effort in the field of human welfare? Some of these changes have been brought forward by Government in answer to public pressure. If the people clamor loud and long enough, inevitably those in authority will answer, if only for political expediency. But that is by no means the full answer. The major advances in social security have been accomplished in this country because of the honest and honourable desires of man to help his less fortunate brother—the sharing of goods and services—an outpouring of man's humanity to man. Although Canada cannot be said to have become a welfare state, Canadians, per capita, spread their incomes across the entire population as creditably as any other nation in the world.

Without question I think it may be said of us Canadians that our yesterdays have witnessed the laying of foundations upon which future well conceived plans of social welfare may be built. Our major problem, it seems to me, is not what has happened in the past but what may happen in the future and how much wisdom and judgment and common sense will be brought to bear in the making of plans which will permit the individual in all walks of life to retain his self respect while he carries his full share, whatever that may be, in the financing of such plans.

And this brings me to the focal point in this presentation—the question — the very broad question of medical care—"You and your doctor", multiplied by all of the individuals and all of the doctors in our country.

Perhaps no greater clamor has been set up in Canada in recent years than that which is currently being sounded in political meetings, in the press, in committee rooms, on the street, wherever men congregate—"We want government health insurance". What does the public mean when they say they want health insurance? What does it mean to you? If I may venture an answer to the question, I think it means that the provident individual seeks a method or plan by which he can utilize the insurance principle to budget for illness just as he insures against the hazards of fire or accident or loss of life. That, it seems to me, is what the self respecting individual who pays as he goes would appear to desire. To many others I think it means that they hope to pass along to someone else, and it doesn't matter to whom, the responsibility of paying for their hospital and medical care.

At this point I think you have a right to ask me, "Well, what do our doctors think about all this? What does The Canadian Medical Association, the organized body of Canadian doctors have to say on the subject?" I am glad to tell you that the doctors of Canada, as represented by The Canadian Medical Association, have been studying this problem intensively for at least twenty-five years. Not only has the Association studied it but it has done something about it by assisting in the establishment of eleven voluntary non-profit medical care plans in which more than 2¼ million Canadians enjoy certain privileges and benefits of health insurance. And may I emphasize that all but two of these plans were begun by the doctors themselves, not only to provide medical care to subscribers at cost, but also to demonstrate that the insurance principle as applied to medical care is sound and can be operated on a voluntary basis quite as economically and satisfactorily as any Government health insurance scheme with which I am familiar. And I make this statement after having visited more than a score of countries in which government health insurance schemes are in operation.

Not infrequently one hears it said that the doctors of Canada are opposed to National Health Insurance—that they give the idea lip service but do not really mean it. In order that there be no misunderstanding with respect to the attitude of the medical profession of Canada on this subject, I would like to refer to the Statement of Policy which was adopted by The Canadian Medical Association at its Annual Meeting in Toronto in June, 1955.

The Association strives for the best medical care for all of the people of Canada and reaffirms its long established policy of giving consideration to and co-operating in proposals, official or unofficial that are in the public interest and genuinely aimed at the improvement of the health of the people.

In addition to developing its own voluntary plans, the Association and its ten Provincial Divisions has indicated to Governments, both National and Provincial, over and over again, its willingness to co-operate sympathetically and helpfully in the development of any sound plans by which the Canadian people can budget for the cost of illness.

The Association will gladly participate in the formation of programs designed to make high quality medical service more readily available and which respect the essential principles of medical practice, and by essential principles we mean not only high standards of medical care but the preservation of that relationship between those who render the service and those who receive it on a basis which for centuries has proven to be in the best interests of all concerned. You and every other Canadian have a right to expect and demand nothing less than the best in medical care. There is no substitute for diagnostic ability and proper treatment, and the best does not require to be embroidered by unnecessary frills.

The Association approves of the adoption of the principle of contributory health insurance and favours a plan or plans which will assure the development and provision of the highest standards of health services, preventive, curative and rehabilitative, providing the plan be fair both to the insured and all those rendering the services.

The unit of service in the last analysis involves two persons—the patient and the doctor, and whatever scheme is finally made applicable in a community must be entirely satisfactory to the patient and the doctor or it will fail to achieve its purpose.

Having seen demonstrated the successful application of the insurance principle in the establishment of the voluntary prepaid medical care plans, the Association recommends the extension of these plans to cover all residents of Canada, with financial assistance from public funds where this is required. Why should it be necessary for any level of Government to set up an intricate, highly involved piece of bureaucracy to administer a health insurance plan when already there have been organized and demonstrated with complete satisfaction, a dozen such schemes in Canada now serving a good percentage of the entire population?

From what has been said I hope no one will misunderstand where The Canadian Medical Association stands on the question of health insurance. Furthermore I would like to repeat that the Association was the first body in Canada to stimulate and assist in the organization of voluntary health insurance plans which have proven to be of great satisfaction not only to several million Canadians, but have also demonstrated beyond question the ability of the medical profession to organize and operate such schemes for the benefit of all concerned. The profit motive should never rear its head in these schemes, and of course all of the Medical Association's plans are on a nonprofit basis.

Now having stated its attitude and position with respect to the principle of health insurance, The Canadian Medical Association further recognizes that health insurance by no means answers all of the problems associated with the maintenance of good health. To maintain constant progress in health protection and health care, the following points should be stressed and underlined, and heeded by all citizens who are interested in health preservation, including their own health.

The World Health Organization has said that health is a state of complete physical, mental and social well-being and not merely the absence of disease. Among the factors essential to the achievement of good health are adequate nutrition, good housing and healthful environmental conditions generally; facilities for education, exercise and leisure; and not least, wise and sensible conduct of the individual and his acceptance of personal responsibility for maintenance of health.

Far too many people look upon their own health care as something to be taken in hand when health breaks down. Of course the body then needs fixing if the deterioration has not gone too far. But how much wiser it is to keep the machine in good running order before it breaks down. This is considered to be good common sense in the care of material things, an excellent example being our motor cars. How much more important and wise it is to apply the same common sense to our bodies.

Each province should be adequately served by a well-organized Department of Public Health providing personal preventive services wherever possible through the practising physician. Canada's ten Provinces may point with considerable pride to their Departments of Public Health. We in Toronto have, for many years, taken genuine pride in our first class Health Department. Your doctor is most anxious at all times to co-operate with the Department in any worthwhile community effort which is calculated to preserve and foster better health.

The community's responsibility for health services includes not only maintenance of a high level of environmental conditions and the provision of an efficient preventive service, but assurance that adequate medical facilities and services are available to every member of the community whether or not he can afford the full cost. Herein lies a tremendous responsibility placed squarely on your shoulders and mine as citizens. Toronto provides an excellent example of how this challenge is being met, but not all communities in Canada are so well served.

The confidential nature of the patient-doctor relationship must remain inviolate. The patient must have freedom of choice of doctor, and the doctor free acceptance of patient except in emergency or on humanitarian grounds. One could enlarge upon this principle at great length. No greater trust can one man place in another than is found in the patient-doctor relationship. This unique and priceless relationship must never be sacrificed by any plan or package deal which might tend to depersonalize medical services.

The granting of a license to practise medicine was designed primarily to protect the public. Therefore it is in the interest of the patient that all who desire licensure to practise a healing art should be required to conform to a uniformly high standard of preliminary education and of training in the recognized basic sciences, as well as to furnish proof of adequate preparation in the clinical and technical subjects.

Canada is fortunate in having twelve medical schools of Class A standard. They are producing close upon a thousand medical graduates a year which supply seems to be meeting the needs for medical personnel in this country. Canada has between fifteen and sixteen thousand doctors, or roughly one per thousand population. During the past ten years there has been a certain inflow of foreign born doctors into Canada, a number of whom are well established in practice and rendering first class service. The Association has been accused from time to time of making it difficult for doctors from other countries to obtain licenses to practise in this country. May I assure you that the Association has never at any time raised its voice in opposition to any foreign born doctor who could meet the educational and other requirements which are demanded of our own Canadian graduates before they are granted a license to practise. Our one concern for the Canadian people in the realm of health care is that every man and woman who undertakes to accept the responsibility of dealing with the health of a fellow citizen must possess qualifications and qualities of heart and mind to make him or her safe as a practitioner. You expect such a standard of your doctor. Every Canadian has a right to expect and demand a similar standard.

Standards of medical services must be maintained at the highest possible level and demand constant vigilance and effort. Among such requirements are:

(a) adequate facilities for clinical teaching in the medical colleges and hospitals. No health insurance scheme must ever be permitted to jeopardize this programme.
(b) postgraduate training for all medical practitioners at frequent intervals must be maintained.
(c) expanded programmes of medical research must be supported and accelerated until the secrets of all diseases are discovered.

Now, having endeavoured to indicate where The Canadian Medical Association stands on the question of health insurance, and having expressed its suggestions whereby consistent progress may be maintained in health care, may I go further and set forth our thinking on those measures which we believe to be essential in assuring economy and efficiency in the provision of health services.

Hospitals, health departments, and all other health agencies should co-ordinate their activities so as to provide their services more effectively and economically.

Hospitals should be located, and their facilities and size determined on a planned, regionalized basis to assure the availability of hospitals where they are needed, the provision of technical assistance to smaller hosiptals by the larger, and the ready transfer of patients as required.

An adequate system of institutional facilities and services requires the balanced development of diagnostic facilities, active treatment general hospitals, rehabilitation centres, chronic care facilities (including mental and tuberculosis hospitals) and home care programmes.

Lay and professional organizations and government health agencies should participate in community, provincial and federal health planning activities.

A word about costs—how should they be met?—one of the most important questions concerning each of us. It is The Canadian Medical Association's belief that in the application of the insurance principle to payment for medical services, the opportunity of insuring through a prepayment medical care plan should be available to every Canadian, including dependents.

Benefits of a health insurance plan should include preventive, diagnostic, treatment and rehabilitation services, and the services of specialists and consultants should be available as required.

The methods of remuneration of medical practitioners and the rates thereof should be as agreed upon by the representative bodies of the profession and the insuring agency. In the provision of personal health services where the usual doctor-patient relationship exists, it is the view of The Canadian Medical Association that remuneration on a basis of fee for services rendered promotes high quality of medical care. You pay for what you receive just as you do in respect of other commodities.

The provision of medical services under any plan of health insurance should be undertaken only by qualified and licensed physicians.

In the event of Government participation in the universal extension of health insurance to all citizens, the introduction of health insurance legislation should be preceded by adequate consultation with the organized medical profession and other groups affected.

Health insurance should be administered by an independent, non-political commission representative of those providing and those receiving the services. Matters of professional detail should be determined by committees of the professional groups concerned.

Appointments of medical personnel to the commission and its staff should be made only with the approval of organized medicine in the respective province.

The various services should be introduced as benefits by stages, careful planning being given to the order in which each is introduced.

Cash sickness benefits, if provided, and the health services benefits should be administered from separate funds.

In the brief time at our disposal I have tried to present to you the position which your doctor takes on this broad question of health insurance. I hope that in your busy lives you may find time to analyse the doctors' attitude in this matter. If you do, I am inclined to think you will conclude that his one objective is to serve you to the best of his ability, at the same time being quite willing to join hands with you and every other Canadian citizen in developing plans which will recognize the insurance principle as one which can and does take the shock and sting out of the financial aspects of catastrophic illness and furthermore spreads the cost of medical care in a manner to meet the citizen's ability to pay for that care.

Sometime during this winter another Dominion-Provincial Health Conference will likely be held in Ottawa to consider plans which have been proposed to extend the benefits of health insurance to our people. What, if anything, may come of these discussions one is unable to say, but of one thing I am quite certain—that whatever plans are accepted they are going to call for the expenditure of large sums of money. Where is this money to come from? There are two possible sources—taxation and premiums. Taxation alone with free medical care would spell out state medicine, something which one hopes and prays will never rear its head in Canada. Premiums, therefore, should be exacted from every person who can pay according to his ability to pay, leaving the consolidated revenue of the country to provide the funds for those who are unable to pay.

In very sketchy form I have tried to portray to you the thinking of Canada's doctors on the broad question of health insurance. I have endeavoured to make clear that The Canadian Medical Association believes in the principle of health insurance and has translated its belief into action in the establishment of voluntary health care plans; that health insurance can be made available to all Canadians on a pay as you go basis by Government paying the costs for those less fortunate citizens who are unable to pay their premiums; that any schemes which are worked out must never interfere with the doctor-patient relationship which is so essential to good medical care; that medical care is the concern of all of us, beginning always with yourself.

Health in the full meaning of the word is one of life's most priceless possessions. Your doctor should be one of your very best friends. In him you confide your innermost thoughts and sooner or later you place your life in his hands. He is not unmindful of the trust which he shares with you. He, like all other citizens, requires money to live, but his greatest joy and satisfaction comes from the realization that he is privileged in a high degree to serve his fellow man.

"FOREIGN POLICY OF INDIA"

An Address by

DR. M. A. RAUF
High Commissioner for India in Canada.

Thursday, January 12th, 1956

CHAIRMAN: The President, Dr. C. C. Goldring.

DR. C. C. GOLDRING: A young man named John Masters, born in Calcutta of English parents, observed his family tradition by serving for fourteen years in the British Army, terminating that service about 1948. During the last few years he has written articles about India and the following is an extract from one of his recent stories:

> "I had never had the attitude of the average civilian tourist, so I did not think of India as quaint, picturesque, exploited, inscrutable, or otherworldly. I thought India was ugly, beautiful, smelly, predictable, and as material as the West. It was inhabited not by yogis and saints, but by people—knaves, giants, dwarfs, and plain people—of various shades of brown."

Probably most of us know little about India but we have realized from the days of World War II that the welfare and progress of Canada are related to the welfare and progress of countries in Asia, such as India, China, Japan, Russia, Indonesia, and countries in the Near East. Accordingly, we Canadians should know more than we do about the point of view of people in Asiatic countries, how they live, how they are getting along, and what they think.

To-day it is our privilege to have as our guest His Excellency, Dr. Mohamed Abdul Rauf, High Commissioner for India in Canada, who will speak on the topic

"Foreign Policy of India." Dr. Rauf was educated in India and at Oxford University, England, and was called to the Bar in London in 1924. After spending five years in Europe, he returned to India and practised his profession there from 1926 to 1946, when he entered the diplomatic service of his country. He has served as ambassador in Burma and in Japan and has been High Commissioner for India in Canada since October, 1954.

We extend to Dr. Rauf a hearty welcome to the Empire Club of Canada and we shall listen with interest to his discussion of the Foreign Policy of India.

DR. M. A. RAUF: Her Majesty Queen Elizabeth II in her Christmas message quoting her grandfather, King George V, said:

"Let each of you be ready and proud to give to his country the service of his work, his mind and his heart. That is surely the first step to set in motion the chain reaction of the powers of light, to illuminate the new age ahead of us.

And the second step is this: To understand with sympathy the point of view of others within our own countries and in the Commonwealth as well as those outside it. In this way we can bring our unlimited spiritual resources to bear upon the world."

This is an extremely valuable lesson which cannot be too often repeated. A great many of the troubles of the world are caused by either lack of knowledge or misunderstanding of motives. There exists a great deal of interest about the economic activities in India. Gentlemen interested in commercial pursuits naturally follow the economic situation in various parts of the world. Thus India's food situation, her effort to create new industries, her Five-Year Plans and other like subjects are, I think, better appreciated than her foreign policy.

In accepting your invitation to speak before you I have decided to tell you something of the foreign policy of India and something of the reasons for that policy.

The foreign policy of every nation must depend on the sentiments of the people of that country which are the result of long standing traditions and history. Whether it is successful or not depends upon its internal strength and the sincerity with which it is carried out. For example, in the western countries it is not possible to understand international action unless it is realized that Christianity is the religion and industrial revolution is the background of the West. Similarly the history of Russia and the teachings of Marx would explain many of the puzzles which arise in modern international relations.

The foreign policy of India is ultimately based on the teachings of Mahatma Gandhi and in spirit goes back to the ancient traditions of India. Both these teachings and the feeling of the Indian people are against violence generally. For Mahatma Gandhi, Ahimsa (non-violence) was a religion. Ahimsa connotes a way of life by which no injury may be caused to another. This was the ideal he wanted to place not only before his own people, who naturally accepted it, but also before the world. The principle has also the corollary that exploitation, directly or indirectly, of weaker and more helpless people either by imposing individual slavery or conquest and occupation of countries already occupied by another people or misuse of greater physical power to extort advantages either in the form of labour or raw materials, etc., is not right. All civilized human beings today are convinced that such conduct is against humanistic or liberal principles. Thus what are now called 'human rights' hold an important place in our foreign policy.

It remained to Jawaharlal Nehru, the Prime Minister of India and its Foreign Minister, to give material shape to the teachings of his master. Immediately on his taking up office about October, 1946, he laid down the broad lines of his foreign policy which he has followed consistently in spite of difficulties. He said that India would have good relations, indeed friendly relations with all countries as her past history had not created any enemities and her recent history had been peaceful. To every nation, therefore, he extended his hand of friendship, even to those who for some reason or the other were not inclined to be friends.

Any discussion of Indian policy must be divided into three parts according to the region. India being in South-

East Asia, her relations with the countries of the area have been closest, particularly with Burma, a predominantly Buddhist country, and Indonesia, eminently a Muslim country. With these two countries from the beginning of India's independence, her relations have been very friendly and mutually cooperative. Recently other countries have come into this circle viz. Afghanistan, Nepal and Egypt. With each of these countries India has entered into a treaty of peace and friendship based not on any military idea of offence or defence but on a desire to cooperate economically and culturally, and generally to avoid conflicts. There are no secret clauses in the treaties. One aspect of these treaties is that India has carefully avoided creating or joining any bloc or pact. Nehru has set his face against any monolithic grouping. With each of these countries there is merely a bilateral understanding.

People have talked about India's ambition to create a third bloc or a neutral bloc. She has been charged with the ambition of becoming a leader in South Asia. It can be said with assurance that no steps have been taken and no policy has been declared towards such a result. In fact it has been stated over and over again that as a large country in South-East Asia and a fairly large country in the world, she intends to take the fullest part in the deliberations of nations with the intention of promoting peace without participating in any grouping of nations. It has been the ambition of Jawaharlal Nehru to create not a third bloc but an area of peace. All nations that subscribe to this point of view have been invited to make non-alignment an item of foreign policy. This has frequently been misunderstood. To put it in very simple language, which may even suffer from over simplification, the position as we see it, is that great nations are divided into two blocs led by the United States on the one side and Russia on the other. It is not merely a question of black and white or rather red and white but a position in which both sides from time to time are carried away to lines of action which may militate against their ideal of peace which we are convinced they both believe in, and the weaker and smaller nations may sometimes be carried into a conflict even against their will or better judgment.

We feel that the only way we can avoid the evil effects of such a situation is to avoid an alignment and to judge each question on its merits. If a number of nations accept this policy, they would not be dragged unnecessarily into disputes although they may be blamed either by one side or both for non-partisanship. Frequently both the sides woo these uncommitted powers. It becomes, therefore, the duty of these powers on the one hand to be as friendly as possible towards all nations, to take part in all international discussions and activities and yet maintain their independence of action on the principles which each of them has adopted individually.

India's policy towards western democracies is one of sincere friendship. She is grateful to them for the aid and sympathy they have extended to her. She has received financial and technical aid from them and a large number of her students now are being trained in various countries of the West. In most matters in the United Nations, India has voted with the western nations. But she refuses to join any military alliances, regional or otherwise, aimed at any other nation. She believes that these alliances or pacts do more harm than good. It is felt that they arise out of bitterness and fear and tend to create nervousness even to the verge of panic. India's record in the United Nations as well as her efforts to reduce tensions outside the United Nations are ample proof of her sincere wish for a peaceful settlement of world disputes.

The desire of the people of ex-colonial countries to avoid embroilment in any war, cold or hot, and in any ideological conflict can be understood. It is in these very countries that the doctrine of non-involvement has been developed. In this area there is the dual desire for peace and independence. Peace is sought by working in co-operation with all nations of the world and in particular with their neighbours. For them it is also desirable that there should be no great war or world war which will interfere with the developments which these nations, particularly of South Asia, are now carrying on. There is a great wave of social and industrial reform in these countries which requires time. It is in this particular sphere that valuable aid has been given by western countries.

Unfortunately, some of them have expected a return for these aids in the form of submissive alliances of the countries aided. This has resulted in a certain amount of dissatisfaction in these areas because of the other element of independence which I have mentioned.

These excolonial countries, firstly, sympathize with and would give moral support to other countries seeking independence. Such support was forthcoming when Indonesia was seeking liberation from the Dutch Colonial Empire in 1947-48 and when French Indo-China fought against the French. It is in this context that the question of Goa must be considered. It is not the desire or the ambition of India to extend her territory. It is the desire of the Goan people, who are Indians, by race and language, to get freedom from a European power. It is, secondly, this jealousy of their independence that makes India and the neighbouring nations suspect all foreign influence. They would most zealously guard their independence from whichever side it is threatened.

India has sought in her international relations to adhere to the Commonweatlh of which she was a member before her independence. She does not agree with the policies of some of the countries of the Commonwealth on racial issues and on exclusion of Asiatics which some of them still follow. Nevertheless she is content to leave the solution of these questions to world conscience while in other matters she realizes that the Commonwealth functions as a homogenous group and is of very great value in preserving peace in the world. The mutual consultation and cooperation between the various countries of the Commonwealth is a great factor in promoting peace and understanding.

India welcomed the formation of the United Nations in 1945 as in accord with her own principles and desires. It is now admitted that the nations of Asia or, to put it in another way, smaller and weaker nations have as much right to express their views on international questions as the bigger nations. This is radically different from the days when four or five European nations used to decide the fate of the world. It is realized that the United Nations is not perfect nor has it succeeded in eradicating all the troubles of international society. Nevertheless we consider that it is the only hope of humanity. The very fact of nations desiring to be members of the United Nations and of taking full and effective part in its deliberations and activities goes to demonstrate the beneficial aspect of the United Nations. We should be prepared to overlook the failures as it is a human institution and must proceed by methods of trial and error.

Frequently it is said that India is sympathetic to communist countries or, at least, is turning her face towards communism. In no case, on a full view of the facts, can India's partisanship of the communist world be proved. We have endeavoured to have good relations with all nations and certainly are not hostile to any country. India is a democratic country with a parliamentary form of government. It has had to fight against communism internally.

We have certainly pressed for China's admission to the United Nations not because she is a communist country but because she is China.

More, recently India has developed the five principles which go under the collective name, in Sanskrit, of 'Panch Shila' (five principles.) These principles are:—

(1) Mutual respect for each other's territorial integrity and sovereignty
(2) Non-aggression
(3) Non-interference in each other's internal affairs
(4) Equality and mutual benefit, and
(5) Peaceful co-existence.

It is considered that these principles do represent the maximum protection to every nation, great or small, with minimum of burdens and responsibilities. The first principle, when accepted, would remove the fear of an expansionist policy by neighbours. The second and third principles are only the converse of the first principle and relate to attacks either by physical force or by means of fifth columns or other subversive tactics. The fourth principle re-affirms the equality of nations and mutual benefit which will promote friendly relations and trade and cultural contacts. The fifth principle is the minimum which may be expected from civilized human beings living in groups in the modern conditions.

These five principles have been regarded with some suspicion as if they represented some sort of idea which will adversely affect the western way of life. This has been mainly because they have been accepted by the Democratic Peoples' Republic of China, by Yugoslavia, and more recently by Russia and Poland. One would have thought that the acceptance by the communist countries of these principles would be welcomed by the other countries which regard communism and communist nations as being dangerous to other societies in the neighbourhood. At least these principles have been publicly accepted and cannot be easily repudiated.

Therefore, India's policy in international affairs may be summarized as a policy of peace. She has advocated gradual disarmament and the abandonment of hydrogen bomb experiments. It is gratifying to us to see that His Holiness the Pope has reached a similar conclusion. She has cooperated with Canada to bring about a lessening of tension in the world. She has thrown her weight, light as it may be, on the side of peaceful settlement of international disputes in the hope that humanity will emerge into a condition where the coming generations will not be eternally afraid of war and destruction.

"AROUND THE UNITED STATES IN TWENTY MINUTES"

An Addres by

RICHARD L. BOWDITCH

Chairman of the Executive Committee of the Chamber of Commerce of the United States

Thursday, January 19th, 1956

CHAIRMAN: The President, Dr. C. C. Goldring.

DR. GOLDRING: To-day, Mr. Richard L. Bowditch of Boston is going to speak to us on the subject, "Around the United States in Twenty Minutes".

Mr. Bowditch is Chairman of the Executive Committee of the Chamber of Commerce of the United States, and a year or two ago was its President. He is also Vice-President of the Greater Boston Chamber of Commerce. He has many business interests as he is Chairman of the Board of the C. H. Sprague & Son Company and President and Director of the C. H. Sprague & Son (Canada) Limited, as well as being President and Director of the Sprague Steamship Company.

He is a Director of several business organizations, among them being the Virginia Smelting Company, Sylvania Electric Products Incorporated, Transportation Association of America, Liberty Mutual Insurance Company, Ludlow Manufacturing and Sales Company, the First National Bank of Boston, and the American Research and Development Corporation. He is a Trustee of the United States Council of the International Chamber of Commerce and also the United States Inter-American Council. He is a member of several committees and groups interested in business and community activities.

Enough has been said to indicate that Mr. Bowditch must travel rather quickly to participate in the work of the various organizations and businesses in which he is interested. Accordingly, it may not seem strange to him to speak on the subject "Around the United States in Twenty Minutes", but it may leave some of the members of his audience a little breathless. Therefore, I wish our guest to know that he may stretch that twenty minutes to thirty or thirty-five minutes so that we may have a more leisurely trip.

It is a privilege to have a visit from Mr. Bowditch and we welcome him to this meeting of the Empire Club of Canada.

MR. BOWDITCH: This was an invitation that I could not resist.

I like Canada and the Canadian people almost as much as I do my own country and the rugged Yankees with whom I live. My native New England has more miles bordering on Canada than on the rest of the United States, and one out of every four persons now living in New England comes from Canada or is descended from your own people.

Your ancestors and mine shared a common boyhood, and you and I share a manhood which is made more and more a brotherhood by the constantly increasing economic and military pressures generated by aggressive international Communism.

It is my own conviction that the people of Canada and the United States have more in common than any other two nations in the world.

We can talk all we like about our North Atlantic Treaties and our Altantic charters and our mutual ties with other democracies, but the most important thing in the world today, so far as the United States and Canada are concerned, are the *unwritten* treaties and the *unwritten* charters that underly the friendship of our two peoples.

It is almost axiomatic to say this—but the security of North America depends on the economic, political and military cooperation of our two nations, now strategically inseparable, as neighboring tenants of the same broad continent.

As long as there exists a threat to liberty, we must stand together—strong and ready—*prepaying* for our freedoms with mutual trust and vigilant cooperation.

If my remarks today can help tighten our existing family bonds, then I shall return home saying, "mission accomplished." Some of you may know what Canada means to me.

It has been my good fortune to travel in Canada more extensively than most of my countrymen ever find possible. In a manner of speaking, I am an adopted Canadian by the very simple process of personally adopting Canada as my second home—and sometimes when I make a speech south of the border, I tell my listeners what I know about your country. They don't seem to mind it—and my people—from Pembina, North Dakota, to Ponchatoula, Louisiana, seem to be interested—but it would be *old stuff* to you—and out of order. You know your own country a thousand times better than I can ever know it—and its biography is written in your faces.

You didn't ask me here to talk about Canada—so I am going to talk to you about the United States—and I hope that some of the things I say will be *new stuff* to you.

I have assigned myself to tell you all about the United States—in about 20 minutes.

To begin with, and as you know, we have a great deal of geography. Not as much as Canada, of course. You in Canada have more square miles of landscape. But we in the United States probably have more geographic variety—and a wider diversity of climate—than any other major continental nation in the world.

This geography and climate have influenced our cultural development. They have had a tremendous bearing on our political thinking, and they have been—and still are—basic factors in our economy.

The size of a country alone has an impact on its people. You Canadians would be the first to understand that. There is something about a big country that stimulates a free peoples to think in big terms. And neither Canada nor the United States suffers from claustrophobia of the imagination. We like to think big, but at the same time we don't ignore virtues.

Both countries have endeavored through the years to attain a moral stature consistent with the broad sweep of their acreage. Both have succeeded—as the rest of the free world can attest.

The Philippine Republic could bear witness for the United States in that regard. Our common enemies call us an aggressor nation, but just 10 years ago this next July 4, the flag of the Philippine Republic was raised in Manila at the same moment that the flag of the United States went down over what had been one of our possessions. We had promised the Philippines their independence, and we redeemed that promise on the day and hour it was due. It was an act of our government that reflected the spirit of a people whose geography has made them basically generous in character, optimistic by nature and unjealous of others' success. We may have a lot of sins, but I don't think that jealousy is one of them.

When the Canadian dollar first forged ahead of ours in the money markets of the world, there were a few Americans who thought it was almost *illegal!* But they were so few, they hardly count. The overwhelming bulk of our people thought it was a good joke on us!

The majority of our people did not hold your dollar advantage against the government of Canada—or against the Canadian people. Instead, they began to wonder what was *wrong* with our dollar!

We were just plain chagrined, but our chagrin was exceeded by our admiration for Canada's skill in handling its fiscal affairs. And that's the way we still feel about it. Canada's strong dollars keeps us on our mettle. And no matter what your dollar does, it won't dampen our enthusiasm or our optimism.

Exuberance is part of the Amercian temperament. We are basically optimistic. Maybe it's a fault—but it's a fact.

We have our share of croaking ravens—calamity Janes and professional Jeremiahs of disaster. Even today—after the greatest business year in our history—we have to listen to the pessimists who tell us that what goes *up* must inevitably come *down* faster than it went up—but they cannot squelch the innate confidence of the American people. And our geography is part of the reason.

We are accustomed to having our geography perform miracles for us with a little encouragement from science and ingenuity, and so we have latched on to the idea that somewhere in the United States, there is always a new frontier for the ambitious, and I have a strong hunch that you Canadians feel the same way about your country.

Change is part of our national make-up. In the 1930's, our great plains area was hard hit by drought. A few of our native pessimists wrote off the great plains area as a new American desert beyond hope of salvation. Since then, the rains have restored its productive capacity —but—just as importantly, the wheat fields of the Williston basin are sprouting oil wells in every direction. (I'm not sure, but perhaps some of your oil has dribbled down across the border.)

We are still pioneer-minded. We have never quite gotten over the old maxim of Horace Greeley who advised the young men of his time to go west. Today, our people travel in all directions in search of opportunity. But in spirit they are still "going west," whether they go south, east or north. Our industrial development may have altered the pioneering urge, but it has not stamped it out. The flexibility of our economy is in direct proportion to the diversity of our climate and geography.

All this is on the plus side for our natural geographic and climate resources. But there is a strong minus factor involved which we are only now beginning to recognize. The fact that we have all kinds of geography and all kinds of weather has tended in the past to make us overly complacent about our self-sufficiency. We have been slow to think in terms of the advantages that may lie in more international commerce because we had been so much a market to ourselves.

A major irritant to both the United States and Canada is the formidable economic barrier built up between us out of tariffs and quotas.

Each nation is the other's best customer, yet the flow of trade is frequently slowed or choked by many regulations, policies and practices which seem outmoded in this age of jets and atoms.

It must be admitted that the United States has been the prime contributor to preventing a freer flow of goods and materials between our countries. Canada, traditionally more dependent on world trade than is the United States, has fostered the more liberal policy.

This has not been prejudice on our part. The past reluctance of the United States to welcome imports was based on stubborness and prejudice in only a very slight degree. It stemmed—instead—from generations that were in fact almost completely self-sufficient—and *had* to be self-sufficient for self-survival at the time. At one time we almost stood alone—because we had no one else to depend upon for what we needed. As an infant Republic, we were a Robinson Crusoe. This was both good and bad.

It is possible, you know, that a people can be the victims as well as the beneficiaries of climate and geography.

It is actually very easy to see how this tradition of self-sufficiency developed. All we need to do is to look at the course of the Mississippi River. We share, to a degree, the St. Lawrence with Canada. We originate the Red River of the north, and Canada gets most of it as it flows across the border toward Winnipeg. But the Mississippi is strictly our property. It begins as a little trickle among the pine trees of Northern Minnesota and winds up among the palm trees of Louisiana before it dumps itself in the Gulf of Mexico.

At its source, the thermometer can go down to 50 degrees or more below zero, but it's always summer at the mouth of the Mississippi.

Its course illustrates the diversity of our geography and our economy as few things can. We grow hard spring wheat at one end of the river—and sugar cane at the other. In between the two extremes, the river winds through some of the most valuable farm land in the world. It skirts the banks of great industrial and processing centers. It is bordered by the center of our corn and feeder cattle industry, by one of the richest dairy areas in the world and by thousands of miles of cotton-growing country.

The range of our climate can be summed up about like this:

In September the frost is on the pumpkin in the northern part of the United States; but we export rice, a subtropical and tropical grain. We go skiing in July (in Idaho)—but we can dip ourselves in salt water in January off the beaches of Florida.

It is no wonder that our political thinking has largely developed along the lines of self-sufficiency. Many of us look at a typical breakfast of orange juice, eggs, bacon, toast and coffee and draw our entire conclusion about foreign commerce from that typical menu. Everything is home-produced—except the coffee.

It comes as something of a shock to many of our people that we are deficient in certain vital ores and minerals that our industry must have for civilian production as well as defence. We must import tin, chromite, industrial diamonds, mica, nickel, asbestos, and a long list of other things, many of which Canadians could name.

It has come as a greater shock—but it is dawning on our people—that our program of foreign aid in the past few years was—in effect—a subsidy for our exports. As a creditor nation we would not long expect to continue that practice except as a heavy toll on the pocketbooks of the American taxpayer and consumer.

We must look—in part—to political action to bring our imports closer to a balance with our exports, and that leads me into the political aspects of the United States. Our political structure is complex—so much so that it often bewilders even our native-born sons and daughters. Actually, we operate very successfully in what I might term an atmosphere of "chaotic efficiency."

Our country is exactly what its name implies, the United *States* of America. It is a federation of 48 separate Republics—sovereign unto themselves except for those powers delegated to the Federal Government by the constitution, this Federal-State relationship of ours is not entirely understood by many other peoples—but that should not be surprising! There are people in the United States who have little understanding of Canada's relation to the crown of England. So it could be tit for tat!

We, in the United States, live under more state laws than federal laws. We are assisted into the world by doctors who must pass state board examinations; we get our first haircuts from state-licensed barbers, and we go to school under teachers who hold state certificates. And it is no exaggeration to say that our state governors, in effect, have private armies, for they are commanders of the National Guards.

I might illustrate the degree of our state sovereignty with an extreme case. If a man breaks out of jail in one state and escapes to another, the state which wants him can't get him back unless the governor of the other state consents to his extradition.

And then—for the last word in state sovereignty, I might refer you to the home state of Mr. D. A. Hulcy, a former president of the Chamber of Commerce of the United States. His home state is Texas—of which you may have heard. Texas came into the union under a proviso that permits it to divide itself into five separate states at any time it feels so inclined. Besides that, Texas reserved the right to fly the Lone Star flag of the Texas Republic side by side with the Stars and Stripes, although not above it.

Today, we are thinking more and more in terms of restoring to our states and communities many functions and responsibilities acquired by the federal government in the last several decades. This will have no effect upon our relations with other countries, except that it will tend to strengthen our economy. And, I am sure, a strong American economy is just as important to Canada as a strong Canadian economy is to us.

We have today a national administration in Washington taht is endeavoring to unleash the creative energies of our free enterprise system—but it should be clearly understood that we do not have a business party in the United States—nor a Labor Party. Our political differences do not stem from differences in our personal, social or economic situations. We like to think—and I believe it to be true—that we have a classless society.

There was a time when our Republican Party was known as the Tariff Party and the Democratic Party as the Free-Trade Party. In those days, our southern states had a strictly agricultural economy, and they held the sole copyright on the Democratic Party. Our northern industrial states had the copyright to the Republican Party. That is ancient history, and the tariff issue today cuts across both party lines.

You will find that both our political parties are in complete agreement on the commercial future of the United States. They may approach that future by different roads, but they agree that we are still a very youthful nation economically with no intention of ever growing old and stodgy.

In the year past, our investments in plants and equipment attained an all-time record. The present trend indicates another new record in 1956. Our Democrats say this results from their good spade work during twenty years of power, and our Republicans say that these investments would not have been made unless they had taken over as they did in 1953.

Be that as it may, it is not guesswork to suggest that the growth contradicts a number of moss-grown theories about the business of our economy cycle. We are discovering that our economy is not like the ocean tide. It defies a constant cycle of ebbs and flows because the economy itself refuses to remain constant.

So does our population. Our birth rate is providing us with 11,000 new, native-born citizens every day in the week—which means 77,000 a week. Today, we have 165 million people. Twenty years from now—we shall have 221 million if the present birth rate continues. Our present rate of growth is faster than India's—faster than the Soviet Union's.

I need hardly remind our Canadian friends that here is a brand new market for our domestic products—and for your products. We are adding to our consumer class in two ways—one through the birthrate—and the other by lengthening the span of life. We are adding to its buying power by a tremendous increase in our industrial retirement programs.

I want our Canadian friends to understand that we are anything but a hide-bound people. We are not irretrievably wedded to the past. I would go so far as to suggest that if Alexander Hamilton, our first Secretary of the Treasury, were with us at this session today he would feel quite at home. Mr. Hamilton has been painted as the Arch Priest of high tariffs and the father of the protectionist theory. The fact is that the great secretary negotiated our first tariff laws primarily as revenue acts. At the close of the 18th Century, 90 per cent of the revenues of our Federal Government came from import duties. It was the only way our Federal Government could earn enough money to survive.

Secretary Hamilton did believe, as we believe now, in protecting industries which are vital to the security of the United States, but you can search his writings from cover to cover and find nothing in them to defend tariffs as a means of perpetuating uneconomic production.

Let us hope that the shape of things to come was discerned by President Eisenhower in his address some two years and a few months ago to the House of Commons in Ottawa. He said: "The free world must come to recognize that trade barriers, although intended to protect their country's economy, often, in fact, shackle their prosperity. In the United States, there is growing recognition that free nations cannot expand their productivity and economic strength without a high level of international trade."

In summation, I need hardly tell you that the latch string of the United States is forever within easy reach of our Canadian brothers and sisters. I think there is not one of us in all of our 48 separate Republics who does not glory in the magnificent relations that our two nations enjoy. Although many of us may lack an intimate knowledge of Canada, we are all united in our respect and affection for Canada and its people.

Ours is not an alliance of two governments but the alliance of two peoples linked together by common ideals and common aspirations.

"A CANADIAN LOOKS AT SOUTH AFRICA"

An Address by

DR. GEORGE P. GILMOUR
President of McMaster University, Hamilton

Thursday, January 26th, 1956

CHAIRMAN: The President, Dr. C. C. Goldring.

DR. C. C. GOLDRING: The first article in "The Atlantic" last month was entitled, "Tropical Africa," and its first paragraph read as follows:

> "Africa is in ferment. From the north, where the fires of Arab irredentism are raging, to the far south, where arrogant but uneasy 'white' supremacy holds sway; from the tropical west coast, where new 'black' nations, independent within the British Commonwealth, are emerging, across to the east to Kenya, where barbarism and civilization have been locked in bloody conflict, the whole continent is astir."

To-day, we have as our guest Dr. George Gilmour, who spent some time in Africa recently. He, as a fellow-Canadian, will tell us some of his impressions and experiences in South Africa. Dr. Gilmour is well known as President of McMaster University, Hamilton. He has been identified with McMaster since 1929. In addition, he is recognized as one of Canada's outstanding public speakers. He is a national leader of the Baptist Church and served as a Baptist minister for some years.

In addition to travelling throughout Canada, the United States, and the British Isles, Dr. Gilmour had an extensive trip in India a few years ago. With his wide experience and a record of leadership in several fields of human endeavour, he is particularly well qualified to talk to a Canadian audience on subject "A Canadian looks at South Africa."

It is a pleasure to welcome Dr. Gilmour to this meeting of the Empire Club of Canada and I am sure that both those present and those who hear him over the air will follow his address with keen interest.

DR. GILMOUR: No traveller to a foreign country, particularly if it is a troubled one, has the right to make easy pronouncements on its problems, especially if he has spent only a few weeks in it. But he can, by means of diligent reading and by talking with people who have a right to an opinion, gather some impressions and can at least attempt to analyze and interpret problems that are too big to be handled by any single observer or solved by any single reformer. In our turn, we would resent the words of any visitor to Canada who, on the basis of a few weeks in Canada, presumed to suggest solutions for the problems of French-speaking and English-speaking Canadian relations, immigration policies, Canadian-born babies and other things. Also, it is important that a Canadian, seeing a serious color problem abroad, recalls that we have almost no such problem here and that we do not always behave well in the face of the small problem that exists. Ontario does not want to be judged by Dresden and people in South Africa do not want to be judged by Johannesburg. Let us understand and reserve judgment.

South Africa is about one-sixth the size of the United States, Cape Province being slightly larger than Texas. One-sixth of the United States would be about one-seventh of Canada. Since so much of Canada is not arable land, such comparisons are of little value, but South Africa is even less well endowed than we are. Eighty-five per cent of South African territory is not arable. But when you have a land with the growing population of South Africa and the fifteen per cent of arable land is relatively poor and easily eroded, it is plain that there is a fundamental physical problem quite apart from the explosive human problem that goes with it. Africa, throughout the whole continent, is the most explosive part of the earth's surface today. It is engaged in a race between chaos and communism on the one hand and settled order on the other. Anyone touching the continent from top to bottom at Suez, Sudan, Kenya, Tanganyika and the Union of South Africa, as I have recently done, is conscious that every part of the continent presents problems, the solution for which is hard to see. But no part of the continent arouses more world interest than does the Union of South Africa, where many people feel that the race between chaos and order may give rise to rebellion and civil disturbance.

Africa as a whole has never known permanent European settlement until relatively recent times. Nor has it ever had a high civilization of its own nor a democratic tradition in society. Yet in the Union of South Africa all three of those things are being attempted. Men are determined to make it white man's country, the permanent home of people whose homelands were in Europe. They are attempting to introduce a high civilization, to bring Western industrial methods in mining, in agriculture and in manufacturing. They are hopeful of bringing a democratic tradition to bear in a territory where history does not encourage that experiment and where many "Europeans" do not think of democracy in our sense of responsible government. If we feel that South Africans are not doing as well as we think we are doing, we must remember that their continent has the three fold disadvantage I have mentioned.

The population tells a story that is interesting and a little frightening. Out of a population that recent figures put at about thirteen millions, there are two and three quarter million people called Europeans. Anyone with a white skin is a "European." Of these two and three quarter million Europeans about sixty per cent are Afrikaners, people whose vernacular is Afrikaans and who descended from the original and later settlements of Dutch people, French Huguenots, Germans and other groups. The remaining forty per cent are of British descent. Because of fairly widespread intermarriage such statistics cannot be exact.

The Afrikaner traces his possession of parts of the country through three centuries, back to 1652 when the Dutch East India Company set up a "tavern of the seas," a refreshment and re-victualling point, at what is now Cape Town. For three centuries people with that blood in their veins have felt that this is their homeland and they feel it so deeply that they suspect other people of not regarding South Africa as home. They feel that some of the English-speaking people could always escape and go back to what they call "home," whereas the Afrikaner has no other home to go to.

The English-speaking settlement dates chiefly from about 1820, when through Port Elizabeth there came the "1820 settlers," a term still current in South Africa. These people came in after the Napoleonic wars, when Great Britain permanently took possession of South African territory. They have had a century and a quarter of immigration and settlement, but they came just in time to inherit a host of problems. These would have arisen anyway, but the coincidence of English settlement and these problems has been a grave handicap. Every one of those problems has been handled somewhat disastrously and the English-speaking minority has been largely saddled with the blame, the jealousy and the hatred that have grown up. They have not been blameless, but they certainly should not be made into scapegoats.

Surrounding and interpenetrating the land occupied by these two and three quarter million Europeans are eight and three quarter million "natives," who are Bantu (not Negroes but Bantu) and aboriginals. Such figures are meaningless to us until we put them into terms of our own situation. If in Canada our fifteen million white population was surrounded by sixty million North American Indians who were encroaching on this campus, squatting at the back of your farm or cottage, creeping in here and there because they had no place else to go, we would know what the problem is. If in the United States there were six hundred million Negroes, people of African descent, in proportion to one hundred and fifty million white people, we would feel the problem keenly. These eight and three quarter million natives are mostly of Bantu blood and language. I shall not have time to speak about their settlement and their reserves, but in all fairness it should be known that these tribes were not there when white settlement began. The Bantu is almost as much a recent immigrant as is the European.

In addition there are about one million called "colored," a curious phrase not so used on this continent. These are people of mixed blood, including a large community of Malayans (who are Moslem in religion and do not mix with the others) and many other people with mingled Bantu and white blood, Hottentot and Bushman blood, with probably a dash of Chinese here and there. Concentrated mostly in Cape Province, they have until the last few years enjoyed relatively good political status even though their economic status has been precarious. Many of them have had the franchise which the present government plans to take away or displace with a less dignified privilege.

In addition to the Europeans, the eight and three quarter million natives (in South Africa you even speak of "foreign natives" to describe the blacks who come into South Africa to work from Mozambique, Basutoland and other places) and the one million coloured, there are three hundred and eighty-five thousand Asiatics, almost all of whom are from India. Nearly all of these are settled in the Province of Natal, near the city of Durban. They were brought in after the 1860's as laborers on the sugar plantations because the Zulu, according to his cherished philosophy of life, preferred to sit in the sun rather than work hard producing sugar. The urge of the white man to get things done, or to induce others to do them, has led to the suggestion that the native in South Africa feels that baboons could talk if they wanted to, but do not because, if they let the white man know, he would set them to work. These Indians, brought in as indentured labor, were permitted to stay and settle. Most of them have remained, their community has grown, their numbers are multiplying and they are today one of the fever spots of the South African scene. If you recall the riots in Durban in 1949, you will know how explosive that condition can be, with mutual jealousy between natives and Indians and between natives, Indians and whites, and charges of exploitation and suppression.

The peoples of South Africa are divided racially in the proportions mentioned. But they are also divided socially, economically and politically. It is difficult to say whether certain steps taken to solve the problems are in the right direction or in the wrong direction. Outsiders have the sad feeling, which is shared by liberal minded people in South Africa, that every step recently taken has been a step away from rather than toward a desirable goal.

The first parallel between ourselves and South Africa is that, as Lord Durham said about us a century ago, "two races are at war in the bosom of a single state." But with us in Canada, the French-speaking Canadian and the English-speaking Canadian do not mingle at every turn because we are separated by geography and by a religious and cultural bar. This means that we can to a large extent mind our own business. We have difficulty enough in Canada, but it is not daily at our doors. In South Africa, the condition is that of two races constantly rubbing shoulders everywhere. Circumstances now lead to aggravation of the problem of bi-lingualism and racial difference.

In South Africa, bi-lingualism is much more common than in Canada for several reasons. One is that Afrikaans is an easier language for an English tongue to get around. Another is that there are bi-lingual schools and the attempt is being made to ease inter-racial tension by having instruction in certain schools in both languages. There are figures to show that in such schools the tension between the Afrikaner and the Englishman is less than in schools that are completely Afrikaans-speaking or completely English-speaking. Bi-lingualism is more highly advanced with them than with us.

The second parallel is that between the treatment on the part of the whites of the aborigines and Africans. I separate the term because in South Africa the aboringines who were there when the white man came to the Cape were not the Bantu who drifted down from the north and entered the Transvaal, the East Cape and Natal much later. The Cape aborigines were Bushmen and Hottentots. The Bushmen were slaughtered, only a few of them now surviving in reserves in the Kalahari Desert. The Hottentots have also practically disappeared, but because of intermarriage their blood continues in the coloreds. But in the eighteenth and nineteenth centuries a new type of native tribe migrated slowly from the great lakes of Central Africa, so that Bantu, Xhosa, Zulu tribes and others met the white man as he trekked east and north from the Cape. This is why the European resents the suggestion that he displaced anybody in the Great Trek. He feels that he simply withstood a rival immigration that is still going on.

Let us remember, when from North America we look with disapproval on the treatment of natives in South Africa, that we in Canada solved our aboriginal problem largely by never having one. The Spaniards did the dirty work centuries ago and the story of the slaughter of Indians in the Americas is no less a grim one because it happened long ago. Anyone who reads John Collier's story of the Indians in America is heartily ashamed of what was done well into the nineteenth century. No wonder the South African dislikes us for pointing at him now. He may be seventeenth-century man trying to live in the twentieth century, but at least he is like we were then. As for the African population of this continent, it is only within the last few years that the United States has begun successfully to handle the problem of segregation and the matter of schools in the United States is still far from settled. If South Africa is half a century behind, who shall blame her? And who will say that we, in the same position, would, except for a minority of enlightened spirits' do much better.

A third parallel of some interest is that between the western migration on this continent and the north-eastern migration from the Cape to the Transvaal. But there is this great difference, that the western trek in the United States and Canada, which actually involved far more people than did the Great Trek in South Africa, has left here a heritage of mirth and romance whereas there the heritage has been one of hatred and distrust. Here we have glossed over the difficulties and lawlessness of our western migration by idealizing the outlaw, whom no one in his senses really admires, and making him a two-dimensional figure of mirth and romance. We have forgotten that, when these people and the cowboys fought against the sod-busters, they were defying the law by trying to be cattlemen on land authorized for ploughing. Somehow, our Great Trek has left almost no bitter memories whereas in South Africa the Great Trek has left memories of ingrained distrust and hatred. The raising up of a tremendous monument to the trekkers in Pretoria a few years ago was the occasion not of bringing people together but of hardening the distrust of the Afrikaner for the Englishman. Perhaps the difference is that North American migrants expected government to catch up with them, while the African trekker intended that no government, least of all a foreign one, should ever extend its rule to his land.

We have had parallels in missionary work in the North American evangelizing of the Negro and the less successful evangelizing of the Red Indian. There are parallels in school problems and work problems. I cannot explore these, but I remind myself that on this continent the Indian and the African are still expected to take the lowest seat in the synagogue. In South Africa, work is a problem of the most savage intensity. Whereas on this continent the unskilled labourer is paid fifty to sixty per cent of the wages of skilled labour, in South Africa his wages are less than twenty per cent of that of skilled labour. Even unskilled work has two wage scales. The native who is doing servile labour of the land and in the mines is being paid a pittance in comparison with what is paid to the "poor whites," those tragic misfits who constitute still another of South Africa's many problems.

Of this problem of the poor white I have no time to speak, but we know that a similar problem was entangled in the roots of the American Civil War. Nor does space permit any discussion of fringe territories. There is a parallel, but not a similarity between our border problems and theirs. The Alaska panhandle could be a sore subject, but it would not have the soreness of the problem of South West Africa, Basutoland, Swaziland and Bechuanaland. North America has seen a strong people take over fringe territories for purposes of exploitation and self-protection.

Then there is the parallel of the growth of loyalty to one's land rather than to that of one's ancestors. Canada's growing loyalty to itself has developed painlessly, but the Afrikaner's loyalty to his land makes him unable to feel that an Englishman can ever call Africa his real home. This is a bitter topic and affects the Afrikaner's hope for a republic. This, and the problem of federal-provincial rights, I shall not touch on further, but we know something of provincial jealousy of federal authority in Canada.

One other parallel, however, must be briefly noted because of the strong contrast it offers. It is that between our rather haphazard political life in this country and the political situation in South Africa. In both places there are party rivalries, but in Canada we are not naturally doctrinaire in our politics. The only really doctrinaire party in Canada has never come to power federally. But in South Africa the situation has developed, after forty years of balance and compromise and co-operation, that for the first time a single party has complete control of the federal power. That Nationalist Party is extremely doctrinaire. It is governed by ideology rather than by a pragmatic approach and it evidently intends to make it almost impossible for any other party to put it out of office. There is a real threat in this to the idea of parliamentary government. The result to date is that many acknowledge that this party has now completely reversed the military decision of 1901. As a matter of doctrine, it is opposed to equality in church and state and also to what it calls imperialism. Hence the cry for a republic, possibly outside the Commonwealth.

But even in this I see a parallel with a difference. We in Canada have a convenient republic to the south and hundreds of thousands of Canadians have not cared deeply enough for the Commonwealth connection to stay in Canada and pay the price of developing it. These people have passed painlessly and profitably across the American border to become republicans and many have said that they were justified in doing so. But the South African has nowhere to go. He has only Southern Rhodesia on his northern border and it scarcely compares with the

United States as a place for economic betterment. If he wants to have a republic, he must make one, and there are many Canadian families who cannot afford to be too high-toned in their comment. However, there is reason to doubt that republicanism will be pressed as an issue in South Africa at present, now that the right to form a republic and even to leave the Commonwealth seems to be clear. It may not go farther than that because to take South Africa out of the Commonwealth now would create problems of capital investments and of national defence (especially naval) so great that any government, however doctrinaire, would hesitate to precipitate them.

There is, unfortunately, in the Nationalist Government not a little anti-semitism. There is also a tendency to override provincial rights and Cape Province, which is very jealous of the entrenched clauses put at its insistence into the Union agreement of 1910, finds itself today faced with the possibility of losing much of its provincial autonomy.

It is easier to condemn all this than to see why it exists. Until we see why it exists, our condemnation is too easy. But there can be no doubt that outsiders view the place with distaste; the investing world views it with some distrust; and many a forward-looking European within its borders views his homeland with sorrow and some fear. It may be that economic forces will bring a solution that doctrinaire policies cannot bring because the industrialization of the country has made the policy of apartheid completely impossible and impracticable so far as separation territorially is concerned. But of that no man can prophesy.

“ALUMINIUM LIMITED AND INTERNATIONAL TRADE”

An Address by

NATHANAEL V. DAVIS

President of Aluminium Limited, Montreal

Thursday, February 2nd, 1956

CHAIRMAN: The President, Dr. C. C. Goldring.

DR. GOLDRING: During the last twenty-five years, it is doubtful if any industrial development in our country has captured the Canadian imagination as strongly as the Kitimat project in British Columbia. People read with interest something of the engineering problems which faced the planners of that project. They saw pictures of the work as it progressed and they had the opportunity to peruse many articles in both newspapers and magazines. One of the results was that Canadians became more keenly aware of the potentialities of aluminum and of some of its probable future uses. It might be added, too, that some Canadians became aware of the fact that if they had invested in the common shares of Aluminium Limited in either 1952 or 1953, they would have seen their investment more than double in value during 1955.

It is a privilege to have with us to-day Mr. Nathanael V. Davis, President of Aluminium Limited, which has more than fifty subsidiary companies in twenty-four countries, the largest subsidiary being the Aluminium Company of Canada Limited. Mr. Davis was born in Pittsburg, Pennsylvania, and educated at Harvard University, London College of Economics, and the University of Glenoble, France. For the past sixteen years he has been actively associated with Aluminium Limited, or its subsidiaries, in various parts of the world. Since concluding his service in World War II, he has served in the company's office in London, England, and became a Director and the President of Aluminium Limited in 1947.

On your behalf, I extend to him a warm welcome to this meeting of the Empire Club of Canada. Those present will be joined by many who will listen over the radio as Mr. Davis addresses us on the subject "Aluminium Limited and International Trade".

MR. DAVIS: I feel deeply honoured to be your guest here today and to have been invited to speak before you. This is, I think, the first time in a great many years that an incumbent of my post has had the pleasure of speaking in Toronto. In fact, it may go back nearly twenty-five years when the annual meetings of our shareholders were held in this city.

Speaking about shareholders and considering the rivalry between Toronto and Montreal, I should perhaps only whisper that there are almost as many owners of our business here as there are in Montreal. The figures are 2,780 shareholders in Toronto and 2,900 in Montreal.

Toronto has other links with the aluminum industry in Canada. It is significant, for example, that the first fabricating plant in Canada for the production of aluminum sheet and mill products was established here by one of our present subsidiaries in 1912. Today, it is estimated that the Toronto area contains over 3,000 fabricators and users of aluminum, employing of course many times that many people.

Today, I would like to develop with you the subject of Aluminium Limited's growth and its position in international trade. It is the story of a group of companies, originally small subsidiaries of an American company, coming of age twenty-seven years ago as an independent and public Canadian company and growing over the years into a major producer of aluminum. It is also the story of a Canadian company owing much of its development and expansion to the growing markets outside of Canada. It is, therefore, a paradoxical story of a company becoming on the one hand, an independent Canadian firm and, on the other hand, basing its growth in large part upon non-Canadian markets. To heighten the paradox it should perhaps also be added that the basic raw materials of the industry are also non-Canadian, to which Canada contributes mainly hydroelectric power and manpower.

To develop this theme it is necessary to sketch briefly a few historical highlights. The production of primary aluminum in Canada began more than fifty years ago with the creation of a small aluminum smelter at Shawinigan Falls in Quebec. It was small by today's standards but, in those days, it represented a pioneer industry of some size. That start was the beginning of what is now known as the Aluminum Company of Canada, Limited, or "Alcan". A quarter of a century later, in 1925, the beginnings of the Saguenay River development, including the smelter development at Arvida, were undertaken.

A few years later, in 1928, Aluminium Limited was incorporated as a Canadian company to take over and develop properties and enterprises, including Alcan, outside of the United States, which had previously been owned by the Aluminum Company of America. Today, as you know, Aluminium Limited has no connection with the Aluminum Company of America and competes with it, particularly in the United States market. We put down our corporate roots in Canada because the great majority of our physical assets were located in Canada and our natural markets lay principally in the British Commonwealth. You may recall that, at that time, markets for Canadian production outside the Commonwealth were severely handicapped by high tariff barriers, or other forms of trade impediments. It was a period of protectionism and area preferences.

Aluminium Limited was launched in the deceptive calm before the storm. I am sure you suspect—and rightly—that my interests were not directed toward the aluminum business or indeed any other business in those days. I cannot, therefore, give you any firsthand account of those early and difficult years. Those who were in charge (and I am grateful there are many still with us) were faced with the running of a new but completely uncoordinated and unintegrated group of facilities, during times of tremendous economic stress. No cash dividends were paid, either common or preferred, for the first eleven years of the company's existence. It must have been a trying time for management and obviously a lean time for the owners of the company. Not until 1937 did business really begin to pick up but, in the two years prior to World War II, the company was able to justify a 100% expansion of its Canadian smelting facilities.

The war, of course, brought great changes in the aluminum picture, in Canada and elsewhere. The pressing military demands, first of Canada and the United Kingdom, then of the United States, brought about a rapid expansion. In the case of the United Kingdom, arrangements were made for the building out of power and smelter facilities in the Saguenay area, an expansion financed in part by British loans totalling $56 million. Although Britain had been Canada's largest and traditional market for aluminum for a great number of years before the war, these war-time arrangements led to a close association which continues to exist between the company and the United Kingdom market. This association has, on the one hand, rendered the company financial assistance now standing at a total of $120 millions for the development of new facilities and has, on the other hand, given the United Kingdom, through first-call arrangements on part of our production, a reliable supply of aluminum ingot.

Expansion was also undertaken to meet some of the United States' military requirements, and during the war the United States received a total of 682,000 tons of Canadian aluminum. This is a tremendous quantity, even by today's standards. I believe, therefore, it is not an overstatement to say that Canadian production made a vital contribution to the joint war effort and to Canada's role as a major supplier to many world markets, including the United States. In terms of capacity the wartime growth was from 90,000 tons in 1939 to almost 500,000 tons in 1945—a 400% increase.

With the end of hostilities there was considerbale concern over the excess capacity for aluminum ingot brought into existence during the war. Many people were asking: "Can the world use five times a much aluminum as it did six years ago?" Quite frankly, we asked ourselves the same question. With the benefit of hindsight, our concern over finding markets for aluminum may today make it appear as if we were then little more than incorrigible pessimists. But if you will consider that Canada's consumption in 1946 was 34,000 tons and that our effective smelter capacity was nearly ten times that figure, it is I think no wonder that it seemed like a pretty cold world to those responsible for selling our output.

It is now common knowledge that there soon appeared a dynamic growth in the commercial uses of aluminum. The pent-up consumer demand, the shortage of other metals and their accompanying higher prices, and the new familiarity with aluminum, arising from the war-time experience, all combined to give a sudden and welcome surge in demand. I think it also fair to say that the surge in demand was partly the result of the intense sales development programs which have been pursued by the producers of aluminum in this and other markets. I refer to the development by the producers of such products as aluminum cable, foil and roofing—now quite standard and common products but not so a few years ago. Whatever the reasons, with minor exceptions the growth in demand has been, and continues to be, unrelenting and, for all of us in the industry—Canadians, American and Europeans—the pace of expansion has been rapid.

I might digress briefly here to give you an outline sketch of the world aluminum industry and explain how we in Canada stand in relation to it. There are in the free world about twenty-five separate aluminum-producing companies operating in some sixteen countries. The major producing countries in order of importance in 1955 were—the United States, Canada, West Germany, France, Norway, Austria, Italy, Japan, Britain and the rest.

The great majority of these aluminum producers in various parts of the world outside Canada are separately owned and controlled. Probably the most significant feature of these competitors, both large and small is that their production is substantially all required for consumption in their home markets. Only Canada, Norway, and to a lesser extent, Austria, can normally be called important exporters of primary aluminum. At least 75% of all the aluminum that moves in international trade is exported from Canada and this goes to countries which either have no production or who have a domestic deficiency. In recent years all of the other producers, like ourselves in Canada, have been hard put to keep up with demand and most of them have been increasing their production capacities to the extent practicable. Many countries have not found it easy or economic to expand their production and this is where Canada's opportunities have developed.

In addition to the growth in demand there were, however, two other postwar developments which, as a result of our position, had a considerably greater influnce on us than on most other producers. In many markets, including of course Canada, there has emerged a vast number of independent fabricating companies. This development has been particularly significant in the United States where it is estimated there may now be as many as 24,000 firms dealing in aluminum in one form or another. These firms have several sources of supply from among the United States producers but these same producers are also heavily engaged in the fabricating business and thus can fabricate to advantage a large part of their own primary production. In contrast, we are not as heavily committed in the field of fabrication and have compelling reasons to be a seller in all markets of aluminum in primary form. These circumstances have influenced many of the independents to turn to us as a source of metal. We, on our side, have naturally enough actively cultivated these customers. The demand on us from the United States independents has grown to a point where it is beyond our capacity to supply. We have a strong desire to maintain and improve our position in this segment of the U.S. market with which we have a certain natural propinquity. For many reasons Canada is a logical source of primary aluminum for the U.S. independents and it is, we feel, in the interests of both Canada and the independents to encourage this relationship. We are working in this direction but it will be a few years before we can make substantial increases in the tonnage available for this market in the U.S.

Related in part to the foregoing, the postwar period has brought about a welcome reduction in the U.S. tariff on primary aluminum. We have unquestionably benefited from the partial removal of these trade barriers and we believe strongly that further reduction should be made, not only in the interests of Canada but also in the interests of the United States aluminum industry as a whole. At first glance this may seem contradictory but it would appear that the huge fabricating industry in the U.S. can derive nothing but benefit from a relaxation of trade barriers on primary aluminum. This would seem so not only today but it is likely to be even more apparent in the years to come.

Another factor of great importance in the last ten years has been the relative stability of aluminum prices in comparison with most other metals. Even today, after a decade of inflation the basic price of aluminum is only about 15% higher than it was in 1939, while prices of other materials have doubled, and some have doubled twice over. Considering the strong postwar demand, there is no doubt that aluminum producers could have asked higher prices for their product, but they have tended to forego short-term gains in the interests of building long-term demand at economic prices.

These postwar developments—a tremendous growth in demand—the emergence of a large body of independent fabricators in Canada and the United States—and the reduction of trade barriers, not only quickly absorbed our postwar capacity but brought about rapid expansion for us in Canada. Our major expansion, as you know, has been the Kitimat project in British Columbia, but we have also brought in a considerable amount of new hydroelectric power in Quebec and have rounded out our smelter capacity there. There has been no let-up in expansion and, barring unforeseen changes in the outlook, there are many years of expansion ahead of us. Parenthetically, if you recall my reference to incorrigible pessimism just after the war, it may now seem as if almost everyone in the aluminum industry is an incorrigible optimist. Perhaps there is some risk that the rapid growth of the past ten years has produced in the minds of aluminum people a feeling of over-optimism in the future. However, in my considered view and that of my associates, the outlook continues to be one of substantial growth.

At least by our standards, an enormous amount of capital has been and will be required. Some may say that we are expanding "the hard way", by doing so on a completely integrated basis, and developing at heavy initial capital expense our own hydroelectric power. As far as the original financial impact is concerned it is perhaps "the hard way" but we believe it is the right way and, on economic grounds, the best way—not only for us but for our customers. All this has meant that for the past five years our expenditure on new plant, the bulk of it in Canada, has averaged two million dollars per week. If, as I hope, it is possible to continue at full speed with the present expansion plans for Kitimat and Quebec, our total capital outlays for the period 1950 through 1959 will come to more than $790 millions, or an average of better than $1.5 million per week over the ten-year period.

We take great pride in the part Canada has played in helping to finance these undertakings. I estimate that, today, the Canadian investment in our business is over $425 millions in debt securities and shares. Today, Canadians own 25% of Aluminium Limited's equity and the proportion seems to be growing steadily. Thus, over the years, not only has our growth been heavily concentrated in Canada but Canadian individuals and institutions have participated actively in all segments of the company's affairs. It is a far cry from the day of our formation in 1928 when the Canadian public had little or no equity investment in the company.

As I have tried to describe to you, a large part of this growth has stemmed from the opening of new and large markets beyond the Canadian border. Within Canada the growth of the market has also been particularly gratifying. It is not so long ago that the company was obliged to send Canadian college students from door to door selling cooking utensils in order to obtain the first recognition and acceptance for this new metal. But over the years through patient, hard work, the company has helped to create a demand and has developed many of the techniques and uses that have enabled hundreds of fabricators and manufacturers to enter the aluminum field. A splendid job has been done by the Canadian fabricators and today Canadian consumption of aluminum is about ten times as great as it was in 1938. Over the next fifteen to twenty-five years as population grows, living standards rise, and more and more manufacturers take up the use of aluminum, it is likely that Canada will be able to fabricate and use at least two or three times as much primary aluminum as it does today. No doubt there may also be a growing export trade in fabricated goods. But in the meantime, and for the foreseeable future, the export of primary aluminum will continue to be of paramount importance. I say this because even though the home market is one of the fastest growing markets, this country has never consumed much more than 15% of our primary output. No one can understand what makes this company tick without recognizing that we must export to survive.

During the past five years our production has substantially averaged 25% of the Free World total and in the same period, as I have said, we have provided nearly 75% of the tonnage of primary ingot moving through international trade channels. The value of aluminum exports from Canada in 1954—the last year for which complete official statistics are available—was nearly $185 millions. Thus, in dollar value, our metal took fifth place behind newsprint, wheat, lumber, and wood pulp in that order; it was the leading metal export being just ahead of nickel.

From the foregoing it is, I believe, clear that we must continually serve and cultivate our export markets at the same time that we promote the domestic Canadian market. I am assuming here, but I trust you will agree it is a safe assumption, that a large and economic production of aluminum is a good thing, not only for Canadian consumers but for the economy of Canada as a whole. I hope you will also permit me to claim that aluminum is good for Canada. We are providing direct employment for some 19,000 to 20,000 Canadians and our annual payroll in Canada runs over $75 millions. If our growth is to continue we must place great reliance on our access to outside markets and we must play an even more significant role in international trade and conduct ourselves accordingly.

By putting emphasis on our reliance on export markets I do not wish to play down the importance of the home market. We are, as you know, faced with the results of an unprecedented drought in the Saguenay watershed which has caused us to cut production in our three largest Quebec smelters by about 40 percent—a cut in production which is likely to continue until the Spring break-up. At this very moment we are consequently faced with the difficult problem of giving proper recognition to the home market requirements, while at the same time dealing fairly with our export commitments. It is not a happy position for the company nor indeed for any of its customers. I mention this subject not to solicit your sympathy with our problems but to suggest that it is a perplexing problem to many Canadian industries which, in varying degrees, play —and aspire in the future to play—an important role in Canada's international trade. I can, of course, only judge from the position we are in but it is apparent that we cannot maintain and build up the flourishing international trade that Canada, as the world's third greatest trading nation, so urgently requires if our export customers are to be asked to take the total impact of all adversities. It is incumbent upon us and others who may be concerned, to evolve if possible ways and means of providing, over a period, some cushion or surge tank for the vital Canadian export industries to fall back on in unforeseen times of shortage.

Mr. Chairman, I appreciate the opportunity given me to speak about Aluminium Limited and its place in international trade. It is a fascinating subject for me but I realize that our affairs and our problems do not loom large in comparison with those of many of you here. I hope, however, that you will understand and find some interest in the challenge we feel to strengthen and build up Canada's production of aluminum to serve this and other Free World markets.

"IS THE DECLARATION OF WASHINGTON AN ANSWER TO THE RUSSIAN WORLD ECONOMIC CHALLENGE"

An Address by

JOHN G. DIEFENBAKER, Q.C.
Member of Parliament for Prince Albert, Sask.

Thursday, February 9th, 1956

CHAIRMAN: The President, Dr. C. C. Goldring.

DR. GOLDRING: If one were to make a list of the hazardous occupations in Canada, probably that of professional politician would hold a high place in such a list. When we meet a man who has been a member of a Provincial Legislature or the House of Commons continuously for almost twenty years, we can be sure that he must possess considerable political wisdom, acumen, and unique personal qualities. Especially is this true when we realize that Her Majesty's official Opposition at Ottawa, of which Mr. Diefenbaker is a Saskatchewan representative, holds only nine seats in the House of Commons for the four provinces west of Ontario.

Mr. Diefenbaker was Leader of the Conservative Party in Saskatchewan from October 1937 to 1940, when he was elected to the House of Commons. He has continued to retain a seat in Parliament since that time. He has attained a high place in the Progressive Conservative Party and has been particularly active in leading and advising delegations from the House of Commons to the United Nations. He was a member of the Canadian delegation of Members of Parliament to the Parliamentary Conference in Bermuda in 1946, and to another similar conference in New Zealand and Australia in November, 1950.

Mr. Diefenbaker was born in Ontario but went to Saskatchewan when quite young. He was educated at Saskatchewan University, being awarded M.A. and L.L.B. degrees. He also holds an honorary L.L.D. from McMaster University. He is a member of the Saskatchewan, Alberta, and British Columbia Bars. He served overseas in the First World War as a Lieutenant.

The Empire Club of Canada has had the privilege of hearing Mr. Diefenbaker in the past and we welcome him again to our meeting to-day. The title of his address is: "Is the Declaration of Washington an Answer to the Russian World Economic Challenge?"

MR. DIEFENBAKER: "The Spirit of Geneva" has been dissipated in recent months. At the Conference of Prime Ministers it became apparent that the U.S.S.R. did not intend to settle the problem of the re-unification of Germany or to reduce the possibility of atomic war by agreeing to inspection by the free world, or to aid in the solution of the Formosa problem. The outrageous allegations made by Krushchev and Bulganin in India and elsewhere in Asia, regarding Britain, the supply of arms to Egypt, the enticement of peoples in Asia and in Africa by subversion and economic infiltration, are but a few of recent events that have caused the hopeful free world to become disillusioned. The threats to destroy NATO and the ultimatum that there could be no united Germany except on Soviet terms removed the false veneer from the Spirit of Geneva. The two messages delivered to President Eisenhower during recent days by which the U.S.S.R. intended to impede the success of the Washington Conference were met by two or three thousand well-chosen words by the President, wherein he pointed out that "A stroke of the pen" cannot achieve peace, that a "change of spirit" is necessary and that "deeds' not words" are the implements of International honour and peace. "The spirit of Geneva" ended almost before it was born. It achieved one purpose, however; it postponed the possibility of an early war, for the leaders of the U.S.S.R. learned that a global atomic war would destroy both victor and vanquished. The U.S.S.R. has changed its tactics but not its purposes. It has adopted spectacularly novel means. The Cold War is to be supplanted by hot economic competition. The immediate use of weapons of War has been postponed in favour of an economic offensive everywhere in the world. The stalemate brought about by atomic weapons has produced a change in the world offensive. It seeks through the stomach of man, as a means to subvert their hearts. On the 28th of January, an official U.S.S.R. publication summed up the plan of the Soviet in these words—"Confident in their Military Forces and inspired by the great victories scored in the building of Socialism . . . we are confidently implementing a peaceful constructive policy."

The Communists have launched a new Five Year Plan. Its policy is more enterprising and flexible than ever prevailed under Stalin. The Russians now use soft words and hard enterprises. Their master-plan includes an economic onslaught by themselves with Poland, Czechoslovakia, East Germany, Hungary, Rumania and Bulgaria. By economic planning the U.S.S.R. intends to increase its steel production until it will be 55 per cent of the present United States' steel production; its crude oil and electric power is to be increased by almost 100 per cent; its coal production by 50 per cent; its agricultural production by 50 per cent. It will redistribute its industries from a concentration in the Moscow and Leningrad areas to the Volga Valley and to Siberia. Three of the Russian Republics in the TransCaucasus will be supplied from great power stations on the Volga. Under the Plan, industries in Siberia will be free from the vulnerability of attack and will be so strategically placed as to constitute virtual monopolistic supply bases for the needs of Red China. The U.S.S.R. is planning for the development of the largest nuclear industry in the world and for gas and oil pipe lines to supply the lines of communication. The Five Year Plan is based on a desire "To destroy Capitalism," and to "win the world without War" as Molotov stated recently. To use his words, "We should like the change-over to Communism in the world to be as painless as possible." The U.S.S.R. plans in the face of the atomic stalemate to make trade an instrument of idealogical policy. The U.S.S.R. plans to barter agricultural products with Nations in need and without regard to value received. It plans to grant certain economic aid and to give still greater and fabulous promises of aid to underdeveloped countries in an attempt to blackmail the free world to do the same. The challenge to the economies of free nations by this policy will be profound in its implications. The costs of production in the U.S.S.R. are minimal, for the State will pay serf-like wages, and can arbitrarily take from the farmer his products at its own terms.

The Russians have launched their policy of buying and selling regardless of economic value; Cotton from Egypt, rice from Burma, are but two examples of purchases of surpluses which the Russians are engaged in to win friends and influence peoples. The Soviet Republic has launched a politico-economic offensive, whereby countries will be tempted by promises of capital goods of all kinds, heavy machinery, oil, steel, cement and other products. The U.S.S.R. has adopted the "Loss Leader" program for propaganda purposes. Its aim is to export its influence by subsidized trade within the framework of modernised diplomacy. The U.S.S.R. intends to extend its foreign trade regardless of competition, believing that with low prices or barter, the undeveloped countries of the world will prefer to trade with the U.S.S.R. than to accept aid from the Free Nations, now that the danger of the outbreak of a world war has been lifted.

The will of the free world will be tested as never before. The Soviets have become international travelling salesmen who combine the disposal of goods, wares and merchandise, with political propaganda. The "New Look" of the U.S.S.R. consists of a most subtle international offensive of utra-modern publicised and organized international salesmanship, in which the major profit return expected will be measured not by balance sheets in roubles, but by the dividend of subverted peoples who will ultimately exchange their freedom for the economic advantages of the present.

In this economic War the U.S.S.R. is endeavouring to enter into trade arrangements with Latin-America. Even

Red China is sending goodwill missions to Egypt, Saudi-Arabia, Liberia, Afghanistan and Ethiopia, while at the same time Russia is stirring up trouble in the Middle East, in the Far East and its Red Twin has recently threatened Formosa with subjugation "By War if necessary".

The new policy is a definite challenge to Britain, for it is vital to Britain's survival to have the oil of the Middle East, rubber from Malaya and Ceylon, and that her overseas trade shall be maintained in the face of diminishing dollar reserves.

Britain's need for trade in the Far East is apparent when it is realized that 35 per cent of her income in non-sterling currencies is produced in those areas, and in Malaya 16 per cent of her dollar income is from sales of tin and rubber.

It was under these circumstances that Sir Anthony Eden and President Eisenhower met and enunciated the "Declaration of Washington." As I listened to Sir Anthony Eden address Parliament on Monday last, my mind turned in retrospect to 1943. That was less than two years after the Atlantic Charter agreed to at a time when Hitler and Mussolini and the Japanese were the world challenge to freedom. The Atlantic Charter provided that after the War all people could choose their own forms of government, that all nations would have equal access to raw materials, and that everywhere in the world men would be assured of freedom from fear and war and that all Nations would forego the use of force in the settlement of international disputes. Mr. Mackenzie King in introducing Mr. Eden in 1943 spoke of the new world of peace to be built from the shambles of war on the character of the men who were shaping a new order. The moving finger writes: Who would have thought in 1943 when Mr. Eden last addressed Parliament that in 13 years the U.S.S.R. would be the potential enemy of freedom everywhere in the world. I need hardly add that for anyone then to have suggested the re-arming of Italy, Germany or Japan after the War was concluded would have been regarded as insanity or treason or both.

The Declaration of Washington is a masterpiece declaratory of the aims and purposes and idealism of the free nations. It declares in effect that the Free Nations do not intend to lose the War of ideas. It reiterates the concept of freedom that the State exists for the individual. These truths and aims of democracy need to be repeated over and over again. It embodies the views expressed by the British Prime Minister before the United States Senate, "It is our faith that the confidence which self-government breeds is the best antidote in the world of Communism." It lays down as the major aspiration of British American policy the desire for peace. It reveals the determination to stabilize conditions in the Middle East, and to act to prevent an outbreak of War there. It gives assurance to the people of Berlin that any attack will be regarded by both Britain and the United States as an attack on them. It reaffirms the need of re-unification of Germany in freedom, it reveals that it means to guide the new nations of the Middle East, Africa and South East Asia in the free world as democracies. It gives continued support to NATO and the Baghdad Pact. It emphasizes need of economic-aid plans, such as the Colombo plan, "in developing the resources and well-being of all participating countries." It foresees the serious situation of the State of Israel which was created out of the genius of British statesmanship, having had its first recognition in the Balfour Declaration of 1917. It has been said, and is so true, that "The Middle East is as vital to world peace as the heart is to the body." I believe that Israel must be maintained in its integrity, and because I believe that Israel cannot defend herself with arms, however many, what is needed is that guarantees be given by the Tri-partite Treaty Powers of 1950 and all free nations. To that end, I believe that a police force should be set up to protect the Armistice boundaries until final peace has been obtained. It does not make sense to me for any of the Free Nations outside the Tri-partite Treaty to supply aircraft to the Arab and anti-aircraft equipment to the Israelis.

Finally in the face of the world economic challenge of the U.S.S.R. preliminary plans to meet that challenge were considered, although apparently not finalized.

What are some things that can be done to meet the new policies of the U.S.S.R.?

(1) Believing as I do that Britain and the Commonwealth and the United States are the bedrock upon which freedom will survive, much remains to be done to strengthen and expand Commonwealth trade relations. The Commonwealth is in constant process of change and stagnation may well mean disintegration. At this very moment a new Nation is being born within the Commonwealth in the Conference which is taking place among the various West Indies Colonies. Will not the growing and expanding process of the Commonwealth continue and in time come to include nations like Belgium, Holland, Sweden, Norway, Denmark, Greece and Germany, as well as France, which in the darkest days of war was invited by Churchill to become a part of this great family of Nations?

(2) Such a Commonwealth may only be a dream. In the meantime, the NATO Nations should give greater attention to Article 2 of the NATO Agreement and in the interests of economic survival against the economic challenge of the U.S.S.R. should join in multi-lateral trade and remove many of the existing tariffs that are unjust and unjustifiable, having regard to the world in which we live. By doing so, the Free World would assure that the free nations will be able to take their stand against the economic "new look" of the U.S.S.R., the purpose of which is to achieve what military strength and power has not been able to achieve.

(3) Canada and all the free world must continue to maintain the utmost military strength for it must not be forgotten that the U.S.S.R. has advanced so far along the line of directed missiles that they can now be despatched at a distance of 1500 miles. Scientists agree that within the next five years it will be possible that these missiles may have a range of 5,000 miles and carrying an atomic war head can destroy any city on earth.

(4) I believe the Free World should launch a world move to assist in raising economic standards everywhere in the world. Sir Anthony Eden has put it this way, that the free nations must "Raise the standards of living and provide economic help and confidence for peoples in under-privileged countries." For years, some Canadians have contended that our contributions have been too small in this regard and many have felt that that view was not a realistic one. Whatever may have been said in the past, the economic new look requires that more be done in this direction than ever before.

(5) Industry and labour have a greater responsibility than ever in this new phase of Russian economic warfare, and that is to assure that the Free Nations will mobilize their productive strength to the utmost and maintain costs at competitive levels so as to meet the competition of the Communist world.

Sir Harry Pilkington Meeting, December 1st, 1955. *From Left to Right:* George Baillie; David M. Woods; Hon. J. C. McLaurin; Dr. C. C. Goldring; Sir Harry Pilkington.

EMPIRE CLUB
OF
CANADA

JOHN G. DIEFENBAKER MEETING, February 9th, 1956. *From Left to Right:* Hon. Chas. P. McTague; Hon. A. Kelso Roberts; Hon. Mr. Justice Barlow; John G. Diefenbaker, M.P.; Dr. C. C. Goldring; Right Rev. F. W. Wilkinson.

"THE NARCOTIC PROBLEM IN CANADA"

An Address by

SENATOR THOMAS REID

Thursday, February 16, 1956

CHAIRMAN: The President, Dr. C. C. Goldring.

DR. C. C. GOLDRING: Many times during the last sixty years, bright young men living in the British Isles have made the long journey from their homes to the Pacific Coast to establish themselves in the Province of British Columbia. We, in Ontario, sometimes wonder why they passed the Province of Ontario which has so much to offer. However, we are happy to realize that these young men have contributed in a significant manner to the development of British Columbia and to the progress of Canada.

Our guest speaker to-day is a man of the sort mentioned. Senator Thomas Reid was born near Glasgow, Scotland, and in the year 1909 travelled from Scotland to the Pacific Coast. He worked for some years in the Seattle Car and Foundry Company. In 1922 he entered public life in British Columbia, serving for two years as Councillor and seven years as Reeve of the Municipality of Surrey. In the year 1930 he was elected member of Parliament for New Westminster and was re-elected to the House of Commons in five general elections. In 1949 he was appointed to the Senate.

Occasionally we read newspaper or magazine articles about the use of narcotics in Canada or the United States. Often these reports come from a city on either the East or the West Coast. Most of us probably have little accurate knowledge of the extent to which the use of narcotics constitutes a national problem. Last year the Senate appointed a Narcotic Committee under the Chairmanship of Senator Reid, to investigate the problem of narcotics in Canada. The Committee concluded its investigation in June, 1955, and made several recommendations which, I understand, will be discussed at the present session of Parliament.

It is a pleasure to welcome Senator Reid to this meeting of the Empire Club of Canada. He has a long record of public service and has given leadership in the work of various committees established by public bodies. He will address us to-day on the topic, "The Narcotic Problem in Canada".

SENATOR THOMAS REID: The poppy since early times has been the symbol of sleep and death. The Babylonians were the first to spread the knowledge, and Arabian doctors used opium freely until the 12th century. It was used largely for medical purposes. Opium came to China from India, and many of you will remember having read in your history books in school about the war that Great Britain had about opium in China.

But might I say right here, if it were not for the use of drugs in medical therapy, people everywhere would never tolerate its continued production.

The word *narcotic* comes from the Greek word meaning pain-relieving and sleep-inducing.

Just before coming up one of your members spoke to me about alcohol, and asked if I thought alcohol was a drug. I am not going to say anything on that, other than to say we look on alcohol as a drug and statistics show there are well over sixty thousand alcoholics in Canada, which is beginning to cause concern in many of the provinces.

Barbiturates are not reckoned under the Narcotic Drug Act, so this afternoon I am just going to deal with the Narcotic Drug Act of the Federal Government, who control the three narcotic drugs.

The first drug is cocaine. Cocaine comes from Peru. It is largely used where poverty exists. They say that it diminishes hunger and it is given to the labourers, especially those who work in that very high altitude.

The next is marihuana. It comes from hemp and it is smoked in cigarettes, called reefers. There are three countries today that legally permit its use. Marihuana is used in India, in Tunisia and in Morocco.

I come now to opium. There are three drugs extracted from opium. In the early days of British Columbia the smoking of opium was licensed because in those days we had thousands of Chinese who came over as labourers to help build our railways and who smoked opium. Smoking of opium has disappeared entirely from British Columbia, and I doubt if there are more than a dozen persons in the whole of Canada who now smoke opium.

The three great drugs coming from opium are morphine, heroin and cocaine. Heroin is made or extracted from morphine. Cocaine is the third drug.

My discourse this afternoon has to do with heroin because heroin is the great drug of addicts, and it is one that is troubling our authorities the most.

We allow heroin into the country legally under very stringent regulations. Doctors are very carefully checked. The authorities at Ottawa have had a wonderful system of checking up to see that doctors only get the amount of heroin required for certain patients. But in the United Nations, where a keen interest has been taken in this question, going back to the League of Nations for some forty-two years, last year fifty countries agreed to prohibit taking in or bringing in opium for legal purposes. After this year there will be no more heroin allowed in Canada for the medical profession.

It has been estimated that since the United Nations took a strong hand, with a view to controlling both opium and narcotic drugs, that the manufacture of narcotic drugs has diminished by fifty per cent. Nevertheless, drug addiction is still a very serious problem.

Now, to give you some figures regarding drug addiction in Canada: Last year, according to the latest statistics, we had a total of 3,212 addicts, the greater number of whom were living in and around Vancouver. And may I say it was due to the great problem out in the City of Vancouver that caused the special committee to be set up.

There are 515 medico-addicts, and there are 333 professional addicts. Now, a medico-addict is one who is going to a doctor to get some relief for some ailment, and under that there are 515. Professional addicts include doctors, nurses and dentists who use heroin.

There has been considerable criticism about the young people in this country using heroin. According, again, to the latest figures, there are only 26 of that number, 3,212, who are under twenty years of age.

To break it down to the provinces, there were in the Province of Quebec, 260. Montreal had 200 of the 260.

The four Maritime Provinces had just a total of 100.

Vancouver had between 1100 and 1500.

Ontario had a total of 655, and of those from Toronto there were 400.

May I compliment Chief of Police Chisholm for the great work he has been doing on behalf of the citizens and the people of Toronto.

I say it was due to the great number in Vancouver that brought about the committee being set up and from which we have just recently put out our report.

Now, regarding the profits in heroin, one ounce of heroin wholesale costs $12.00. This I hold in my hand is a quarter grain in size. . . . I would like to pass these around, and I warn you they are not heroin. They were afraid to trust me with heroin. If you would like to see a capsule, a quarter grain . . . it is a small capsule like this. A quarter grain capsule sells, depending on the locality, for from $3.00 to $6.00. There are four hundred and thirty-seven and a half grains in one ounce. That means that the cost of that one ounce of heroin on the market to the drug addicts would bring anything from $5,200 to $8,700 for an article that wholesale costs $12.00.

May I point out that addicts use anything from one to eight doses per day.

Now, I thought I would bring along today for your information the equipment with which the drug addict operates. You might not have seen it. He has an old spoon, and he puts the little capsule in a little water, and then he uses an ordinary syringe with a needle on it. He holds that over a candle where the water dissolves the mixture in the capsule, then he draws it up and injects it into a vein. And he is off. That is how a shot of heroin is taken.

I think I am safe in demonstrating that on this audience, although we have advocated very strongly, although there are different opinions on it, that this should not be taught in schools. There is a certain group of people who think drug addiction should be explained before the schools and pictures of drug addicts, and shown how it is taken. In our report we come out absolutely against showing children how it is done by the drug addicts, and we are supported in our view by the United Nations Narcotics Division. We believe such education would be dangerous.

This in my hand is a poppy head. Now, many of you wonder where they get the opium from the poppy head. They bleed the poppy with a cut on the side of the poppy. Then follows the juice that just turns black. They scrape that thick liquid off and you have opium.

There are many growers of opium in China and elsewhere who don't know what they are growing it for. All they know is that there is a market for opium. That opium is the base of the three drugs, morphine, heroin and cocaine.

I was asked what effect the taking of the drug has. According to the information given to us, drug addiction is found chiefly among people who desire to increase their sense of comfort but who are inclined to shirk responsibility. They found a drug which gives them a temporary satisfaction, but may I point out the seriousness of this. After investigating and hearing all the evidence possible that they could bring before us, we are of the opinion that there is little or no return once the drug addict starts down the path of taking heroin.

Contrary to many views, we could find no serious crimes being committed by drug addicts who take heroin. They want to be happy, they are listless, they don't want to work, and as they start to take the injections, it has to be increased more and more as time goes on.

One of the things we were up against in our investigation was the statement put out by a group of medical men in the City of Vancouver, who drew to the attention of the public that Great Britain, with a population of 45 million, had only 300 drug addicts, against, in say, Vancouver, with a population of 400,000, having around 1,500.

In Canada with a population of fifteen or sixteen million, there are roughly, 3,200 or 3,500 known drug addicts.

They put out the thought to the people that we should adopt the British system here in this country, and without going into it too fully, they intimated that the doctors in Great Britain provided the addicts with drugs.

We did investigate as far as we could the system in Great Britain because we were amazed at the statement of only 300, and we came to the conclusion that there was something in the British people that is not in the Canadian people. We find evidence again that a criminal in Great Britain would have no dealings whatsoever with a drug addict. In this country we find the drug addicts are not only drug addicts, but some eighty-five per cent of the drug addicts in this country have serious criminal records. We found that invariably the drug addict had started out on a life of crime and later took to drugs, and so when we speak of possible cures for drug addiction we have to ask ourselves this question. If we cure one of drug addiction what becomes of the stealing propensities of men and women who have not done one day's work since they reached the age of fourteen or fifteen and are now drug addicts. If we cure them from the drug addiction will they become good and respectable citizens.

We found this out also, in so far as drug addiction and taking heroin is concerned, that many if not all of those who are released from jail, even up to as high as fourteen years of imprisonment, the first day they were out they went right back to heroin.

So there is the problem confronting us. You can take it out of a man's body, you can cure his body, you can keep him in prison for that length of time, yet whether it is one year, two years, ten years or fourteen years, most of them who have been investigated have gone back to drugs after that length of absence from it.

I mention that to show you the seriousness of the problem, that it is not easily solved as some people would have us believe. It is one of our great problems.

We investigated as far as we could the American system. They have two large hospitals in the United States, curing or attempting to cure drug addicts. We had the head of one of those institutions before our committee, and from the information given us by Dr. Isbell, it would appear they couldn't guarantee more than fifteen per cent cure, out of a population of 1,300 in the institution and he in fact wouldn't guarantee that they would be entirely cured. All he would say was, so far as we know the fifteen per cent have not taken drugs for the space of eighteen months.

That may or may not constitute a complete cure. We are inclined to believe that there was always a danger of the man who had been taking drugs, or the woman, no matter how long they had been off drugs, that when they met adversity, and things were not going right, back they go to heroin.

Now, I want to watch my time and leave the salient points of my story before you because it is very important subject, and the opportunity you gave me to talk to you is very gratifying indeed, and I trust that some good will accrue from my visit with you this afternoon.

The primary sources of heroin are Turkey, Iran, Mexico, Lebanon and Red China. It was thought because Vancouver was on the Pacific Coast, and due to the salubrious climate . . . I must use the good word "salubrious" . . . there is nothing like putting in a word for one's own home district . . . that it drew all the addicts of the country to Vancouver. We discovered that in the City of Seattle to the south of us, which is a city twice as large as the City of Vancouver, and a seaport city as well, there was only a total of 200 in the whole of the State of Washington, including Seattle, and that we in Vancouver had 1,500 it gave us cause to wonder and fully investigate.

Our report when we put it out of course wasn't too popular in Vancouver, because we intimated in the report and said in the report that we believed that the great number of drug addicts in Vancouver was due to the laxity of the police enforcement. Many of you no doubt have read about the Chief of Police Enquiry out there, and it was very noticeable that following our report the whole thing blew up and they began to arrest them, a half dozen at a time . . . something that hadn't taken place up until the time of our report.

Now, Mr. Anslinger, who is head of the Narcotic Control in the United States, tells us on good authority that most of the heroin on sale illicitly today comes from Red China. He makes the statement, and the only country that has tried to contradict it, strange to say, is Russia. She evidently thought it was incumbent upon her to come to the help of Red China. Mr. Anslinger said Red China is financing her armies due to the enormous sale of heroin to the world.

It is extremely difficult, of course, to get to the head of the organization. The head of the R.C.M.P. and the Chief of Police here could perhaps tell you more about it than I can, but we listened to the statements of the heads of these Departments before us, and after listening one couldn't help but realize how difficult it is to catch the heads of these dope rings. The heads of these rings could well be the member of a church, he could be one of those prominent citizens in your community or presume to be. He never touches narcotic drugs, he is not a drug addict. He would not even speak to a drug addict, but he could well be the head of a ring.

You can understand from what I have said how difficult it is to get hold of a man and lay a charge against him. There have been cases of the R.C.M.P. related to us in our committee . . . they may not be able to get close to the head of the ring even after two years undercover work. Suddenly they have been cut off, due to the fact that the heads of the drug ring if they suspect some man will assign some of their own detectives to follow him and check up. I mention that to show how difficult it is to get hold of the heads of these narcotic rings.

The heroin on a ship from Hong Kong may be coming to Vancouver, but it won't come direct. It would probably go to a dozen ports. They may ultimately try to land in New York. When the latest big cache was overhauled, discovered after a two year search, they found a great cache of heroin that had come all around the world. They didn't try to unload until they came to New York, where they were finally caught.

The United Nations Narcotic Commission is endeavouring to limit the production of poppies. Fourteen countries have agreed to limit the production of poppies, starting at their source. It is very difficult when you have fifty-five nations and only fourteen will agree to limit the production of the poppy and other nations are encouraging the growing of the poppy, and when a nation like Red China is depending a great deal on the sale of that for carrying on business, particularly that connected with war.

Now you ask me what should be done. We gave a great deal of thought, but we came to one conclusion quickly. The conclusion is this, that simply throwing them into jail is not the answer.

We visited one jail where there were 150 drug addicts. As Chairman of the group, I said to the 150 addicts, "If any of you want to say anything we would like to hear it." And one young man of 22 got right up and he said, "I defy any man to cure me. I am not going to be cured. I am just waiting until I get out to get heroin." That shows the mental attitude of some of them. Throwing them into jail is not the cure.

It was advocated by certain heads, particularly in British Columbia, that we segregate them, put them all away perhaps on some Island by themselves for life. I doubt very much indeed if the people of Canada would stand for incarcerating a group of men for twenty years upwards, or perhaps all their lives, without letting them out.

We came to the conclusion that as a start the provincial governments who have the care of sickness and illness, and those under whose jurisdiction sickness and illness come should start a pilot institution to take the addicts they think can be cured, and the latest report I have from British Columbia is that B.C. is taking steps to do that very thing there.

Ontario with two other provinces took some action . . . I understand it is the mental institution where they can be confined, or some hospital. . . . I am not sure in the Province of Ontario . . . and given treatment there.

We have no such treatment centre in B.C. They won't take them into the mental institution or even into the hospitals, so the provincial government is now, I believe, taking steps with a view of curing. It could be a long, long process. I don't believe a cure will be effected unless first of all it is compulsory over a course of years, and there will have to be, in my opinion, a follow-up system. If you throw a man, for treatment, either into jail or into one of the institutions I have just mentioned, and then turn him loose in two or three years, and he goes back to his old haunts, we firmly believe within a very short time that man will be back taking drugs again.

So we have placed these problems in our annual report and our recommendations before all governments, pointing out that the Federal Government has a duty of enforcement of the Act. The Federal Government has a duty to the men within the penitentiary. The Provincial Government has a duty, their duty under the B.N.A. being to take care of the sick and the ill. A start has been made, perhaps not as large as many would like.

In the hospital at Lexington in the United States, having a population of 1,300 addicts, they found out with no follow-up system many of the men they thought were cured returned in a short time for another turn of a stay in the hospital.

Regarding the British system, I want to make clear, because I did omit when I started here to say this, the British system is not a system of giving drugs unlimited to addicts. The addicts we spoke to would like all the drugs they need, but is there any limit to the drugs they would require or need? A drug addict only taking two pills today might a month from now be wanting four, and six months later be wanting six. It would be similar, in our opinion, to an alcoholic, and saying, We will give you a bottle a day, or we will give you two bottles a day. We think that system would be foolish and unwise —to start and give a drug addict all the drugs he wants.

For instance, they have got to take a drug every four hours. It only lasts four hours, depending on the strength of the injection or the heroin, and every four hours he has got to have another one. What would you do with a man say off in a lumber camp . . . give the man a handful and say, Go ahead, that is your supply? We don't believe that would work or be any cure at all.

We do believe there is something in the British people, there is something that has kept them from going down the path of drug addiction as they do in this country. We have been told that in the Old Country the criminal will have nothing at all to do with a drug addict. One man said that a criminal in Great Britain wouldn't like to be found dead with a drug addict. In this country, eighty-five per cent of the drug addicts are themselves criminals. The drug costs a great deal, they are not working for a living, and remember it takes from fifteen to thirty dollars a day to keep them going in pills. If it cost five dollars a shot, and they take five shots a day, that is $25.00 a day and the only way they can get that, if they are not working, is by thieving, burglarizing, or prostitution.

I want to repeat that no serious crimes are committed by drug addicts . . . bank robberies, murder and so forth. They commit the petty thefts . . the stealing of cars, etc., and so on. Otherwise they could not obtain the pills required for their addiction.

I notice my time is going on and I have only touched the outskirts of my address, but I do want to assure you that it has been a great pleasure and a privilege for me to be with you. I hope what I have told you will give you some little insight into the problem. I showed you at least how they take it. I hope the Police don't catch me and ask me what I am doing with this, the essential paraphernalia.

May I express my thanks to you and express the hope that some time in the future I may come back and speak to you about the glories of British Columbia.

"THE PRICE OF BROTHERHOOD"

An Address by

DR. MAURICE N. EISENDRATH
of Holy Blossom Temple

Thursday, February 23rd, 1956.

CHAIRMAN: First Vice President, Mr. Donald H. Jupp.

Gentlemen, please remain standing after Grace is said so that I may ask you to sing the first verse of the National Anthem and afterwards drink a toast to Her Majesty the Queen.

Before we go on the air I would like to introduce to you the distinguished guests at the Head Table who have gathered to honor the Speaker. Will each guest rise briefly when his name is called but no applause please from members until all the guests have been introduced.

MR. JUPP: Distinguished guests and members of the Empire Club of Canada. We are singularly honored today to welcome as our Speaker a man with an international reputation for service, learning and leadership—Dr. Maurice Eisendrath. Toronto is proud of the fact that part of that reputation was earned here in the 14 year period from 1929 until 1943 when Rabbi Eisendrath served at Holy Blossom Temple. He was born in Chicago in 1902, received his Bachelor of Arts degree from the University of Cincinnati in 1925, was ordained as Rabbi at the Hebrew Union College in 1926, took up his duties at Virginia Street Temple in Charleston West Virginia and moved to Toronto in 1929. While in Canada he was active in social reform and was instrumental in founding the Canadian Conference of Christians and Jews, serving as Co-Chairman throughout his Canadian ministry.

For many years he served as National Chairman of Public Relations for the United Jewish Community of Canada. Our radio audience today will be particularly interested to know that he established the "Forum of the Air", the first radio program of its kind in Canada. He is the author of a book "The Never-Failing Stream", published in 1939 and numerous monographs and articles on religion.

From Holy Bloossom Temple he was called in 1943 to the office of President of the Union of American Hebrew Congregations, with headquarters in New York City and in 1945 the honorary degree of Doctor of Divinity was conferred on him by the Hebrew Union College for his outstanding contributions to the rabbinate. In 1952 the Union, an organization founded in 1873 and which today represents 500 congregations in the United States, Canada, Latin America and Hawaii, made him President for Life. In addition he is a member of a formidable number of Boards and Committees of Jewish and non-sectarian organizations. The broad scope of his experience is indicated by the fact that he was one of the official American Jewish representatives to the Peace Conference in Paris after the war and also served as consultant at the San Francisco conference that wrote the charter of the United Nations.

It is clear that the Empire Club could not hear from a more eminent authority during Brotherhood Week. Canadians enjoying vast lands and resources on the North American continent may well echo the fervent words of the poet Katharine Lee Bates:—

> "America! America!
> God shed His grace on thee
> And crown thy good with Brotherhood
> From sea to shining sea!"

"The Price of Brotherhood" is the title chosen by Rabbi Eisendrath for his address to us to-day—Dr. Maurice N. Eisendrath.

DR. EISENDRATH: Although some glib songster from Tin Pan Alley has superficially chanted that "the best things in life are free," a far earlier, profounder, and more realistic commentator upon life and its deeper meaning assured us that only "by the sweat of his brow shall man eat bread;" that all things, in short, must be bought and paid for; or, as the writer of the Book of Ecclesiastes might have said, "For everything on earth there is a price, and there is nothing free under the sun."

Though this may sound somewhat cynical; and though, admittedly, there are many things, even among the best and most coveted: such as love and friendship, motherhood, and faith that are "without money and without price," in that they are not purchasable in the coin of the realm; still, in all honesty, we have become accustomed, since man's earliest days, to recognize that while "the lily of the field may toil not nor spin," the sons of man are required to labor, even from dawn till dusk, to provide themselves with their daily bread.

To be sure, there were those who ravaged the earth and seized for themselves the possessions of their neighbors. But very early in man's destiny such pillage and plunder were condemned and punished even by death itself. "Thou shalt not steal" rang out the unequivocal prohibition against appropriating by force or by stealth the property of another. Slowly, painfully, man worked out a system of crude and primitive barter whereby so many hours of toil expended on, let us say, a stone axe was equivalent to a certain number of hours spent on the creation of an aesthetically moulded vase. I am not sufficiently acquainted with the price index of those ancient days to know just how accurate my analogy may be, but this much I do know — there never has been a time—except, perhaps, among certain tiny communes such as the Essenes, recently popularized by the discovery of the Dead Sea Scrolls—when mankind has not invariably based his life and living upon the inexorable proposition that, "for everything there is a price." Except again perhaps on our $64,000 and $100,000 giveaways; except on the whirring slot machines at Las Vegas or on the rise and fall of values on the Stock Exchange, few of us—even the most thrifty merchants among us—expect to get something for nothing. In fact, we are suspicious of anything and everything obtainable "without money and without price."

How strange then—and utterly paradoxical—that, whereas there is not a single business or professional man, such as those who constitute by far the majority of our gathering today, who would for a moment challenge this fundamental axiom of our society that it is fit and proper for our commodities and services to carry their appropriate price-tags; that though we dub as communistic and subversive of our complex and delicately adjusted free enterprise any suggestion that men shall be rewarded without adequate toil, or that we can build our business enterprises without the sweat of our brows or without long hours of labor—how strange, I repeat, that when it comes to the acquisition of such cherished goals as justice and peace and brotherhood, then by some peculiar, fantastic illogic we actually do believe—or, at any rate, we act as though we did implicity and without question believe—that these sublime and coveted objectives can be easily attained "without price," without effort, without sacrifice, without pain, without "blood, sweat and tears." If we do but mouth our protestations of brotherly love; if we do but worship on a single day in the week the Prince of Peace; if we profess in our confessions of faith or mechanically mumble our noble prayers that the "time may not be distant" when "swords will be beaten into ploughshares and spears into pruning hooks," we become smugly satisfied that we have expended our full complement of effort for brotherhood and peace.

But the price of Brotherhood — or Peace — is far steeper than the mere words of our mouths.

Too many of us are brothers by such words of mouth only. We—that is, many of us—go to our respective churches and synagogues and pour forth our praises and our prayers—ostensibly at least—to the "Lord of all creation," "the Father of all mankind," who hath made of one flesh and one blood all the creatures of the earth, in Whose sight there is—and can be—no distinction between "Scythian, Greek, or Jew," to the Lord not merely of the Canadians, the British, the French, or the Americans, but even of the Germans and the Russians and the Chinese Reds as well, and then we behave as though His domain ended at our own respective frontiers.

Not yet are we prepared to subject the concerns and interests of our sovereign states to the well-being of all, to the Will and Way of the Moral Law. And so, although we have laboriously builded a United Nations, we are guided therein more by the law of expediency than by the price we must pay for brotherhood. Thus, when myriads of natives in South Africa, whose skins have been rendered somewhat darker than our own by the Will of God Himself, appealed to the conscience of the world for succor and for salvation from the grim and relentless Apartheid policy of South Africa, not a single-so-called democratic nation of the world — except tiny Israel — rallied to their support. Again, with regard to Israel, instead of harkening to the poignant appeal of the newest democracy in the comity of nations for protection against the murderous attacks of her marauding neighbors, instead of fortifying these sons of freedom in the new-old Holy Land, we flirt with and flatter by a flow of explosive arms those scions of fascism and feudalism throughout the Middle East.

And as it is with regard to our unwillingness and failure to pay the price of brotherhood in our relationships among the nations on the political front, so in too many instances, are we likewise unprepared to comply with the inescapable cost of fellowship in the economic sphere. No amount of philanthropy or diplomatic good-will, no Point Four programs or Marshall Plans will speedily enough reduce the disparity between an average per-capita annual wage in the United States—and not much less in this Dominion, I suppose — of $1700 and a bare $27 — not per week or per month but per year, in China; between the social whirl characteristic of a good part of this North American Continent in which millions, yea billions, are squandered with the nonchalance of pennies in an arcade, and the quagmire of destitution and suffering and premature death in which the multitudes of the world still helplessly and hopelessly sink. For it is an unassailable fact, as Trygvie Lie, until recently the Secretary-General of the United Nations, has pointed out, that "most humans on earth are hungry most of the time." As a price must be paid to spare the world the ravages and the destruction threatened by atomic annihilation, so there is a price which each of us is called upon to pay in order that the rising rancour of the impoverished multitudes of the earth shall not tear our social fabric to shreds in bloody revolution.

Despite all the flaws in the Marxian interpretation of history, there is one rallying cry which is capturing the imagination and idealism of the youth of many lands and which challenges—as they have never been challenged before—the sincerity and genuine idealism of our democracies and our faith. And that cry is the word of Karl Marx who contended that "Philosophers have explained the world, but our business is to change it." And it is this lure "to change the world" which is winning the vast numbers of the Communist cause, while our stubborn insistence upon maintaining too much of the *status quo* is providing fuel for the incendiary fires of the Reds. Back some years ago a Chinese girl, condemned to death for revolutionary activity, said to her sorrowing family, "Do not weep for me. I am dying for a cause. You will go on living—for what?" Our forbears who came to this North American continent in order, as they phrased it, to establish in this New World the ancient commonwealth as Moses had envisaged it, to build a just and equitable society to supplant the rigid caste systems of the Old World they had eagerly left behind—they knew what they were living and dying for: they were determined to rear a society that would provide a new birth of freedom for all. But every time such a ghastly, grisly misdeed as the murder of an Emmet Till, or the sadistic stoning of a Negro college girl, occurs in my own country and goes unpunished, or a splendidly conceived FEPC provision such as you have so happily and justly enacted in this Dominion and Province, goes unenforced, as I understand is the case in a certain municipality not so far distant from us today — we prove ourselves unwilling and unready to pay that price by which alone we can build that brotherhood on earth which it is our common destiny to rear.

But, whereas most of us are unwilling to pay this price of brotherhood, it is astounding — and most paradoxical —how steep and staggering a price we seemingly are content to pay for the *lack* of such brotherhood which we complacently tolerate in this so-called "best of all possible worlds."

I wonder how many of us have actually grasped the reality of the colossal sums we are presently spending because we have not yet sought and found the formula for establishing that kind of brotherhood whereby "each man might sit 'neath his own vine and fig tree, there being none to make him afraid." The figures for your own land, which I do not have available, must be similarly impressive. As for the United States, we appropriated last year thirty-four billion dollars for defense. Does anyone among us really know what that means? Well, for one thing, it means four million dollars spent every hour—day and night — for armaments which will lead us eventually to our destruction — or, if we are spared that catastrophe, then at least to their own obsolescence.

Let me give you just a few graphic illustrations of the price we presently pay for that which postpones rather than pursues the world-wide brotherhood we cherish.

For every 30 million dollars which one navy destroyer costs, we could construct 60 desperately-needed schools at a half million dollars apiece.

Every 200 million dollars required for a single new aircraft carrier, which will be antiquated in but a few years, or blown to splinters by a single bomb, is equal to 8 times the annual cost of the entire Technical Assistance program of the U.N., which, if but supported with similar sums, might make war and revolution appear to the vast multitudes of earth both superfluous and obsolete, might make an anachronism of Marx's taunting appeal. "You have nothing to lose but your chains."

Every $7,000 required merely to fuel, service, and put in the air for 7 hours a single bomber would provide a four-year college education for the average boy or girl.

Such are the price-tags on just a few of our satanic instruments of death in terms of life, liberty, and the pursuit of happiness for all. In such human equations the grand total of thirty-four billion dollars is even more staggeringly unbelievable. Those $34 billions—and a comparative figure in Canada would no doubt be similarly revealing — would purchase:

		for a total of $. billion
330,000	new $15,000. homes	5
500	new $2,000,000 hospitals	1
2,000	fully-equipped and supervised $500,000 playgrounds	1
2,000	new $500,000 schools	1
1,000,000	salary increases of $1,000 each for teachers	1
200,000	new teachers at a salary of $5,000—1 billion	1
$2,000,000,000	for land reclamation, reforestation, and flood-prevention	2
For technical assistance to the undeveloped peoples to put them on their feet and become self-supporting and free		10

All this, and there would still be $12 billion left for reducing the heavy burden of taxation and increasing purchasing power.

This is the price we are paying for what we regard as defense and national security. But are we actually less anxiety-ridden than before we build our Maginot line of atomic hydrogen bombs? Is it not possible to find another way—risky no doubt—but who ever said that the price of brotherhood did not involve risk from the day the cave-man first laid down his club and decided to submit his conflicts to juridical procedures? Is it not possible to find a way to some manner of universal disarmament, of effective inspection and control, that will leave in the hands of nations only such weapons as may still be necessary for maintaining international order so that the incomprehensibly immense sums now being poured into defense might indeed revolutionize the world and provide the price of brotherhood?

Now while you might readliy retort that this costly and imminently catastrophic race is not of our own making; that Barkis is willin'; that the democracies are more than prepared to abandon it the moment the Soviet will come to terms, what about the similarly staggering sums we are squandering as a consequence of our unbrotherly behavior on the domestic scene?

Have you—good sound business and professional men that you undoubtedly are — paused to ponder how much it really does cost us to begrudge the price of brotherhood right here at home?

It is on our domestic balance sheets of business that our prejudices are showing vast deficits. It was no "do-gooder" minister or "good-willing" rabbi, but the highly respected statistician and pollster, Mr. Elmo Roper, who recently pointed out, in a searching and scientifically documented pamphlet, that the United States is wasting thirty billion dollars a year in manpower, morale, and productivity; that ten dollars out of every seventy-five dollar paycheck are washed down the drain in the phony luxury of indulging prejudice. Again, I do not know what the comparable figures may be for Canada, but I do know that wherever a firm exists that does not hire on merit and on merit alone; that wherever a ceiling is placed upon the kind of position a man or a woman can attain because God's sun may have shaded his skin a bit more darkly than our own; or because he is descended from the people who gave birth to him whom some call—if I may use the same phrase with a different connotation — "God's own — and only Son;" or because he may have come from some different land of origin; wherever there is such discrimination and lack of brotherhood, not only, as Mr. Roper puts it, "is that firm guilty of injustice"—and of this we shall have more to say later—but of "woeful extravagance as well."

What Mr. Roper has in mind has to do largely with the decreased efficiency and productivity that result when victims of discrimination worry more about acts of prejudice than about the job to be done. What he has in mind is the shortsightedness of searching frantically for foreign markets — with all its dangers of potential war — and neglecting the additional 12 billion purchasing power of fifteen million Negroes in the United States alone if all, instead of just some, were employed at their highest skills.

He recalls, likewise, how long our victory was delayed in World Wars I and II, and how many lives were uselessly lost, because our industrial output was reduced by discrimination. What he has in mind, further, is the filching from our democratic world of so much of the potentialities of minority groups who could move into high-paying vocations where there are manpower shortages — medicine, chemistry, engineering, and the like — if merit and merit alone were our criterion. Who knows how much sooner a Salk vaccine might have been discovered! Who knows how many of your own children and those of your dear ones and friends might have been spared the ravages of the grim scourge of infantile paralysis if ten, twenty, fifty years ago certain medical schools had not said "Not wanted" to some brilliant young student who just might have preceded Salk by a full half century had he not been refused admission because he was a Jew, a Negro, an alien! Who knows today what secrets of increased productivity of the soil, what new plastics and synthetics, might have been created by some Jew or Negro or Catholic or Foreigner to bring increased food and clothing and shelter to the ill-fed, ill-clothed, ill-housed of the world—ever the seed-bed of revolution and war—if we were not tragically willing still to pay this high price of unbrotherly behavior.

It was in Nazi Germany that the price of prejudice found its ultimate *reductio ad absurdon*—its reduction to absurdity — and to horror and barbarism as well. Those whom the gods would destroy they first make mad — and prejudiced too. They drive them crazy through their paranoid fear of the stranger within their gates. Surely we ought to have learned from the bestial butchers of Berlin that bigotry does not pay; that to banish from one's borders or to burn in gas ovens and asphyxiation chambers millions of the children of God because of their so-called race and alleged alien descent is to rob one's own land, one's own generation, and posterity itself, of some of the highest skills and most blessed gifts which God has bestowed on men regardless of race, creed, or national origin. And yet, while we shudder and recoil in horror from such brutality and sadism; while admittedly we have made comparative giant strides toward brotherhood in many areas, nevertheless "by gentleman's agreement" we still exclude vast multitudes from the full and equal opportunity which genuine brotherhood would demand. We still may be dooming to agonizing years of pain and premature death from cancer our own loved ones because we do not accept exclusively on merit, all men as men "for a' that." We still may lose the cold war — or the hot — because of indispensible skills which in a college in Alabama or a village in Ontario we spurn. As a well-known editorial writer correctly phrased it: "The demonstrations against a Negro girl in Alabama are a gift to the Kremlin of a ceremonial sword which may one day split the West into fragments. We have handed the Communist conspiracy a weapon to divide the world."

And so we continue to pay and pay and pay, not only, as I have already indicated, in decreased efficiency and productivity in our respective businesses and industries, not only in the crippling of potential scientific advance, not only in advertising-as no amount of Marshall Aid or Point Four benefactions can dispel—our failure to spell out our democratic preachment in tangible brotherly affection for all—but there is an additional price still that we pay within our own communities.

Have you any idea of what you as a taxpayer are paying for your tenements and slums largely caused by greed and/or discriminatory practices in housing and industry? In one study, made recently in Cleveland, Ohio, it was found that municipal taxes on real-estate in one such slum area totalled $225,000, whereas public and private social services including relief, health services, handling juvenile offenders, incessant fire-fighting amid tinder-box tenements — all of which are always higher in such blighted areas—came to $1,360,000—a ratio, a loss, of six to one.

Nor is the psychological price less costly. The Committee on the Hygiene of Housing in the U.S.A. has pointed out that more damage is done to children by a sense of chronic inferiority due to the consciousness of living in sub-standard dwellings, attending sub-standard schools, being restricted to sub-standard jobs, than by all the defective plumbing which tenements may contain.

Communists are not born—at least on this side of the Iron Curtain; they are bred, bred in hate and a lust for vengeance against the bigotry and greed that belie the brotherhood of man. Here also, prejudice does not pay.

Such is the price we pay for the *lack* of brotherhood. It is, as Eric Johnston, former President of the U.S. Chamber of Commerce, dubbed it, "a fool's economy indeed!" Is it not time that wise—and even economy-minded—leaders of our states and cities, of our provinces and communities, of our industries and trades, came to the inescapable conclusion that even as we hear constantly iterated over the Radio and TV that "crime does not pay," so is the failure of fellowship likewise a costly, a prohibitive extravagance.

But you know as well as I that, as a rabbi, as a religious teacher, as the descendent of a people that has never counted the costs in mere monetary terms, that has faced exile and persecution, the torture chamber and the wrack, the inquisition and crusades, just because it would not purchase fellowship, would not buy good-will, at just any cost but preferred to pursue God's will at any price—you know as well as I that I would not rest my case on mere dollars and cents nor would I insult you by appealing exclusively to whatever mercenary instincts you may possess. You too are moved by principles and ideals such as once prompted lowly fisherman, shepherds, and artisans to follow a lowly Galilean carpenter and lay down their lives for a friend. You, too, have fathered sons who have laid their lives upon the altar of their dreams.

I have attempted to prove—and I believe I have—that bigotry does not pay—even in the crassest material terms—but I must add, before I conclude, that, even if this were not the case, you and I—insofar as we are Christians and Jews—are *under orders* to love our neighbors as ourselves—whether it pays or not. That it does pay—is all to the good. Although so-called hard-headed, realistic business men, with their feet solidly on the ground—"and all that", — may designate some of us as starry-eyed and oh-so-impractical visionaries and idealists, the ideal and the practical are really one. Nothing in this world can really be practcial—on a long term basis—unless it is likewise ideal. The truths we learned in our religious schools or at our mother's knees are not only morally right but expedient as well.

So why not, my friends, pay the price of brotherhood not only because it is uneconomical and dangerously explosive in this revolutionary age to persist in our unbrotherly behavior, but because we have been mandated by prophet and seer, by Jesus and the rabbis of the past so to do. Why not end every vestige of segregation, not merely because the Supreme Court of the United States or your own FEP and FAP legislation declares it *illegal,* but because long centuries ago, the Ten Commandments of the Jew, and the Sermon on the Mount sacred to the Christian, proclaimed it *immoral!*

Then shall we discover that the price of brotherhood is not nearly so costly or so illusory as the price we have been headlessly paying for the lack thereof. Then will we begin to tear down our expensive fences which have for too long divided us and build far less costly bridges which shall ultimately unite us.

Fences and bridges—what interesting, what contrasting concepts and words! In this day when the subject of semantics has become so popular even for parlor discussion (Quote here the story of "coming too near, going too far")—perhaps we might spend just a moment or two in conclusion in searching out the significance of these two pregnant words! Bridges and fences. Fences, or walls, do indeed serve an important purpose in life. They have their irrefutable value. They give us shelter, security, and privacy—in a world which otherwise would indeed be "too much with us." They carve for us out of unbounded space too vast for us to master, a smaller area which we can subdue to our needs. Imagine a world, particularly our own, with its streaming, screeching brakes, its whirling, whirring wheels, its strident sirens, its thronging throughways, its tireless telephones, its blaring, blatant radio and TV—without some walls occasionally at least to 'fence us in, "to bring us momentary solitude, to enable us, if only for a brief second or two, to hear the gentle voices of children, the tender whispers of love, the still small voice of God Himself. Yes, walls enclose us in a manageable world; they give us a sense of at-homeness which is good for our souls; they define, beyond peradventure of doubt, what is ours and what is another's. Or, as Robert Frost phrased it, "Good fences make good neighbors."

But there are other walls—which are not similarly beneficial. Prejudice and group hatreds are forbidding and foreboding walls which men build around themselves not merely to fence themselves in but to fence others out. Fences of social snobbery and alleged racial superiority! Our generation unhappily has witnessed the erection of far too many of these walls of separation between man and his brotherman. Whenever and wherever there have been want and hunger, discontent and unrest, racial and religious bigots have swarmed out of their holes to sow the dragon-seeds of division, discord, and dissension. Sometimes even good and respectable people build such walls about themselves and their presumably select sets: walls of social exclusiveness and economic caste behind which they smugly and snugly hug to their bosoms the delusion that they are somehow better than the common run of humanity. How pathetic, how poignant is their short-lived pretense! For we know that, in the sight of God, there are no Brahmins and no pariahs or untouchables—only children of dust, who, in their brief careers on earth, may find a measure of happiness by helping one another in goodness and sharing. From the four corners of the earth God took the dust wherewith to create man so that none could boast that his ancestors were better than another's, wrote the rabbis of old. "Of one blood hath He created all peoples of the earth," said the Jew of Nazareth.

And there are other walls today: iron and bamboo and silken curtains behind which nations crouch, and dub as traitor anyone who would suggest the raising even by an inch or two of these divisive barriers. But eventually the most towering and seemingly impregnable walls must fall, for the "Lord God hath a day upon every lofty tower and fortified wall." He hath decreed that men should build not walls to divide them but bridges to draw them together, each man to his brother.

Across the dark chasms of life, your faith and mine bid us to rear bridges: bridges of compassion, great-mindedness, magnanimity, and love. Perhaps the noblest bridge is that which the Hebrew writer of the Book of Leviticus, and Jesus some centuries later, paraphrased in the words, "Thou shalt love they neighbor as thyself." The United Nations is another such bridge seeking in our own time to carry out that ancient mandate. We must guard it vigilantly so that it does not collapse as all previous more rickety bridges leading to world peace have fallen. We must guard it especially today when it is so viciously and violently, and vehemently, attacked by self-centered saboteurs who would scuttle this last best hope of man for peace in our time. "To bigotry no sanction, to persecution no assistance." These words, uttered by him whose birthday we in the United States observed just yesterday—these words, too, are a bridge—a bridge far more enduring than the swords and spears with which Washington achieved his military victory. It was the triumph of the spirit which healed the hurt even of revolution and bound up the wounds and made us the inheritors of three thousand miles of unguarded frontier without a sentry, without a fort. The bridges over the Niagara River and the St. Lawrence, which do not divide but which do in truth draw your land and mine ever nearer to each other in brotherly solicitued and common aspiration—these are wondrous examples of just such exalted bridges as God has hidden us ceaselessly to build. This Empire Club—with its membership open to all and which has numbered among its Presidents men of various creed and classes—is another such noble bridge. The National Conference of Christians and Jews, under whose aegis this Brotherhood Week observance is being held, provides likewise such a bridge.

The decision (November 1955) of your Supreme Court of Canada recently rendered in a case involving the Jehovah Witnesses erects still another such bridge which many men in many lands might profitably emulate. Among the nine justices who brought in this momentous judgment were three Roman Catholics, six Protestants. The opinion written by Justice Robert Taschereau makes Canadian history — writes a noble page in all history. "In our country," he wrote, "there is no state religion. All religions are on an equal footing, and Roman Catholics as well as Protestants, Jews and other adherents to various religious denominations, enjoy the most complete liberty of thought. The conscience of each is a personal matter and the concern of nobody else. It would be distressing to think that a majority might impose its religious views upon a minority, and it would also be a shocking error to believe that one serves his country or his religion by denying in one province or minority the same rights which one rightly claims for oneself in another province." What an exalted bridge of understanding is this and all those others which remove every "No passage" barrier!

Many many peoples and many faiths, many creeds and many colours, find their way across such bridges to discover at the other end their brethren, made in the image and likeness of the Divine. May they hear the beating of another's heart and behold the offer of another's helping hand! May they join heart to heart and hand to hand in the manner suggested by a story I have been fond of telling and retelling these many years—both in the United States and during my earlier ministry in this Dominion—ever since I first came across it some years ago while I was yet the rabbi at Holy Blossom Temple here in Toronto. It is said to be a true story and originated, so I am told, in your own Canadian wheatfield of the West.

It tells of a mother and a father and their little child who set out one day to visit a neighbouring village. In order to reach their destination it was necessary for them to traverse some fields grown high with the fall crop of wheat. To keep their child from straying off and becoming lost in this veritable wilderness of waving wheat, each parent took one of the child's hand and went their way together. After proceeding for some time in silence, the mother suddenly realized that the child was not with them. Evidently it had wandered away while they were walking along in their preoccupations. In great consternation the mother cried out: "Father, where is our child?" The child was nowhere to be seen. They returned quickly to their little village, called out all their neighbours and friends to join them in the search. All that day, all that night, all the following day and the following night, they searched.

But the child could not be found. On the morning of the third day, as they were standing about dejectedly, one man hit upon a brilliant idea. He said to his neighbours and friends: "Come, let us join hand-to-hand, forming a human comb—and we will stretch ourselves across the entire width of this field and we shall tread across its full length and thus we shall cover every inch of ground. Surely, in this wise we shall find the missing child. They seized avidly upon his suggestion. They hurriedly joined hand to hand, forming this human comb, and they began their silent and solemn and sombre march down the field. Suddenly someone stumbled over an inert form, lifted it, and placed it in the arms of the anxious mother. She gazed down into the pallid features of her own child's face and she beheld that it was dead. And all that that grief-stricken mother could do was to cry out of the depth of her desolation and despair: "My God! Why did we not join hands sooner!"

"My God!" is my cry, is the cry of our whole anguished, agonizing generation. "My God!" is the cry of myriads of our mothers' sons and daughters, too, marked for atomic annihilation. "My God!" is the cry of the bruised and battered and beaten multitudes of earth. "My God!" is the cry of the millions of maimed and mutilated, the downtrodden and oppressed, destined for destitution, destruction, and premature death. "Why do we not join hands," nation with nation, race with race, creed with creed, man with his brother-man!" Why do we not "join hands" — and pay the price of brotherhood—before it is too late!

"THE FINANCING OF ECONOMIC GROWTH IN CANADA"

An Address by

MR. J. E. COYNE
Governor of the Bank of Canada

A Joint Meeting with The Canadian Club of Toronto

Monday, February 27th, 1956

CHAIRMAN: The President, Dr. C. C. Goldring.

MR. JOHN GRAY: Our speaker today, Mr. James Coyne, has long been known to a small group in Ottawa as a man of remarkable capacity, rounded out by a fine education and training. This was confirmed when a year ago he became Governor of the Bank of Canada, one of the most responsible posts in the gift of the Canadian people. Nevertheless when Mr. Coyne assumed his high office he knew a great deal more about the Canadian people than the Canadian people knew about him.

He comes of an old Ontario family but grew up in Winnipeg where he graduated from the University of Manitoba in 1931. Any thoughtful young man coming out of a Prairie university in those days of drought and depression is likely to have learned certain basic lessons about Canadian problems and viewpoints that he will never forget. He won a Rhodes Scholarship to Oxford, and followed this with a short period of law practice in Winnipeg before joining the Bank of Canada. His rise in the bank has been interrupted only by a period of service as a pilot with the R.C.A.F. during the war.

To his other distinctions Mr. Coyne adds that of being Chairman of the Board of Governors of Carleton College—of being a bachelor, and a connoisseur of old Canadian books and Canadian painting.

These brief facts merely sketch a brilliant though still short career, and it gives me great pleasure to introduce Mr. James Coyne.

MR. COYNE: After ten years of depression and six of war, we have seen on this continent during the past ten years a renewal of the phenomenon of overall growth of the civilian economy. Perhaps it is not too much to say that we now take both the desirability and the fact of continuing growth for granted and when we think of Canada's economic prospects, we think of them in terms of growth, of how much and what kind of growth.

It was to study these questions that the federal government last year appointed a Royal Commission of five distinguished Canadians under the chairmanship of Walter Gordon of Toronto. What conclusions they will come to I do not know, and in any case there will be plenty of room for differences of opinion and further public discussion over the years ahead. I think we must recognize, however, that the Gordon Commission has already done a valuable service in focusing attention on our future economic opportunities and problems, and in stimulating so many studies by outside bodies as well as those undertaken by economists who have come together from all parts of Canada to form the staff of the Commission.

Most of the provincial governments have submitted to the Commission economic surveys of their particular areas, with the emphasis on probable and possible future developments. To have these prepared, and to bring them together in a national survey, is, I think, a very valuable aid to all our thinking on the problems involved. Members of this audience will, I am sure, find the submission of the Government of Ontario extremely interesting. It is a comprehensive, thoughtful and fully documented study of every aspect of future economic development in the Province of Ontario, dealt with from a constructive and progressive point of view.

For Canada as a whole, economic growth has developed on three bases—population, productivity and investment. Our total population is growing more rapidly than most other western countries, both by natural increase and by immigration, and so is the size of our working force. Output per man-hour is also growing in most industries, and so is the total national product. Conceivably the increase in productivity could be converted into more leisure rather than a greater production of goods and services, but that has not been done to any marked degree, so that production per head of population and the material standard of living have risen substantially over the past ten years.

The third factor in our rate of growth has been the high proportion of total product that is devoted to capital expenditures for new construction and for machinery and equipment. The rate of such new investment is higher in Canada than in most other countries, higher than in the United States, for example, and higher than our own level of annual savings could sustain. It is probable that our rate of saving out of gross national product is also higher than the United States, but not so much higher as in the case of investment. At all events, investment has for several years exceeded saving in Canada; the deficiency has been made up from the outside world, and particularly from the United States, where saving exceeds domestic investment. Physically the deficiency is covered by an excess of imports of goods and services over exports, and the financial counterpart is an inflow of capital sufficient to pay for the excess of imports. Although the short-fall seems large in amount, over $600 million in 1955, it must be remembered that total new investment in fixed assets in Canada last year was $6,230 million, so that domestic saving provided about 90% of the total.

The fact that the combined total of consumption and investment in Canada in recent years has been greater than our own economic output does not necessarily mean that either consumption or investment is too high, though it might mean that, and opinions may well vary on that point. Some may feel that consumption is too high and that we should be saving more, though in fact our national rate of saving is already high by comparison with most other countries.

Others may feel that investment is too high, that we should not be using so much non-resident capital, that we should not have so large a surplus of imports over exports; it must be recognized, however, that if we do not want to see these things, and do not save more, we must be content with a smaller rate of growth than that of recent years, and probably a different distribution of growth among the various industries.

In a free economy, growth in the form of new investment is not a pre-determined imperative, either in total amount or in the proportions of the different kinds of investment that make up the total. These matters depend on the independent decisions of millions of individual savers and investors. Part of total investment is, of course, a community activity carried on by governments, in the form of schools, hospitals, roads, urban services, and so on, but even in such cases the governments concerned, to the extent that they want to obtain voluntarily the savings of Canadians and others, must have regard to the views of the lenders and conditions in the capital market where other would-be borrowers are also active.

One important feature of a free economy, therefore, is that there is no uniformity or set pattern in the matter of investment; first one kind of investment and then another will go ahead faster than the average or overall rate, and similarly at times one kind and then another may decrease or lag behind. Opportunities for capital development vary from time to time, and the views of persons with savings to lend or invest also vary as to where they want to put their money, as between, for example, natural resources development, heavy industry, secondary industry, housing, social capital, public utilities, the service industries, and so on.

In addition to changes in the relative activity in different fields of investment, there may be changes in the relative importance of the different channels by which savings are invested. An obvious case is the extent to which corporations can accumulate savings in the form of undistributed profits for re-investment in the same business, as against raising money from others by selling stock or bonds or borrowing from banks or other institutions. There may also be variations in the extent to which individual savers make investments themselves by way of mortgage loans or the purchase of securities, as against allowing their savings to accumulate on deposit in banks and other institutions which will then invest the relative funds. Again, a business may change the proportions in which it raises money from security issues relative to its reliance on bank loans even for working capital. As these factors change, both the total volume and the make-up of bank credit will change. There is no fixed relationship between the amount of bank credit, or the volume of money, or the level of interest rates, or any other monetary index, on the one hand, and the size of the gross national product, or the rate of growth, or the amount of investment, on the other.

Under our system the job of channelling savings into capital investment is performed by the capital market. What one wants, presumably, is as many different channels as possible, so that both lenders and borrowers may have freedom of choice and not be dependent on any single outlet or source of funds.

One of the largest pools of savings gathered up in the capital market is that which accumulates in savings bank accounts of individuals, and the savings banks for that reason are important instrumentalities in making funds available for long term investment, that is, for the provision of fixed capital. Commercial banks provide funds primarily for working capital, for the financing of inventories, of work in process, and of sales on credit. In Canada, unlike most other countries, the commercial banks also carry on the greater part of the savings bank business. As such they provide one important source of funds for the capital requirements of governments, business, all sections of the community. Savings deposits increase year by year so that banks have funds available from this source for new investment each year, in addition to the re-investment of funds accruing from previous investments which are repaid out of the current savings of the former borrowers. The principal means by which all these savings are made available by the banks to finance the creation of new fixed capital is through the purchase in the securities market of the securities of governments and businesses and, more recently, through acquiring insured residential mortgages.

I believe all would agree that we need to make the best possible use of whatever amount of saving our people are doing, that we need to find ways and means of making it flow into the kinds of capital development which we value most highly. While we have an active and relatively well developed capital market in Canada, and a strong and effective financial system generally, there is no doubt that here as in any other country changes and improvements may appear desirable from time to time, especially if some important sphere of investment seems to be having undue difficulty in gaining access on competitive terms to the various sources of savings.

In 1954, there was evidence that builders and house owners needing to borrow money, and thus to convert the savings of others into useful investment in this particular field, were being confined to too limited an area of the financial market. The amendment to the Bank Act which made insured mortgage loans a permissible outlet for savings in the banks, was a valuable development. It provided an additional outlet for the investment of savings deposits, and an additional source from which funds for house building could be sought. One reason why this development has worked so well in its first two years is that the chartered banks with their widespread network of branches have unrivalled facilities for originating and servicing insured mortgages in all parts of the country. Under the established system for insuring mortgages, other investors who do not have these facilities for originating mortgage loans have the opportunity of buying mortgages from the banks or other authorized lenders, who will usually continue to service such mortgages for a fee. I think we may expect to see develop a broader secondary market in insured mortgages, and a new channel opened up thereby for the flow of private savings into the finance of home building.

In addition to the savings of individuals and corporations re-invested in their own businesses, and the savings deposits in banks, there are a number of other channels through which savings flow to those who make the physical investment. Some individuals themselves participate in the capital market through the purchase of government bonds, corporate stocks and bonds, and mortgage loans. For the most part, however, the process is carried on by intermediaries, such as life insurance companies which accumulate large aggregates of savings arising from the income of their policy holders, and others such as trust and loan companies, credit unions, pension funds, and so on. While circumstances vary from one institution to another, it is generally the case that savings institutions can invest all or the greater part of their funds in long-term investments. For example, a strong case can be made that life insurance companies and pension funds can expect that the aggregate funds in their hands will never decrease significantly, and will probably go on increasing. It follows that such institutions can, if they choose, and if regulatory bodies permit, keep their funds for long periods in investments of a kind that most individuals cannot buy, not because such investments are unsafe over the long run but because an individual wants to be able to get his money out again at short notice in case of personal emergencies. In fact, however, our institutions have not followed such a course to any great extent. In Canada, almost all the investible funds coming into their hands tend to flow into fixed interest obligations, with relatively little going into common stocks and other forms of equity investment. If it is true, as has been stated in a number of quarters, that there is not a sufficient flow of Canadian savings into equity investment, and that too much of the ownership and control, and profits, of the most venturesome and profitable sectors of Canadian industry are going by default into the hands of non-residents, this is an aspect of the capital market which would seem to merit consideration and discussion.

To revert to the overall picture, whatever the particular channels by which domestic or foreign funds reach the capital market, there may be times when the demand for capital funds is greater than the supply. A more rapid expansion of the supply of credit could be stimulated by the central bank, but in some circumstances this would create too much credit and give rise to excessive competition for the available supply of goods and services, with inflationary results. At times, too, even though the total supply of credit might not be excessive, it would be possible for excesses to develop in one or another particular field of credit, such as consumer credit, or credit for stock market trading on margin, or for accumulation of inventories beyond reasonable requirements, or for speculation in real estate, and so on.

I shall not discuss any particular field of credit today, but I think I should say a word about the kind of situation that arises when the overall demand for credit appears to be excessive. There is clearly a limit to the total amount of new capital development that is physically possible at any particular time, just as there is to the production of consumption goods, for population and the size of the labour force will be limiting factors even if materials and credit were available in unlimited quantities. Under certain conditions, when investment opportunities for the development of new business enterprises and expansion of old seem particularly favourable, the total number of apparently sound and desirable projects may add up to more physical requirements than the economy with all its resources can accommodate. At such a time, unless the monetary authorities are ignorant of the conditions or fail to take account of them, you will have a situation of so-called credit stringency, with not enough credit to satisfy all demands and usually with interest rates showing some rise in one sector or another of the market as would-be borrowers compete with each other for the available supply of funds.

I am not speaking of a condition of actual restriction or contraction of credit, which might arise when the total supply of money and credit had clearly become excessive and must actually be reduced. What I am speaking of, the condition of so-called credit stringency, would arise not because the supply of credit had been excessive and had to be reduced, but simply because demand was expanding too rapidly, more rapidly than the supply of savings available to provide the real basis for growing investment. If more people wanted to do more things by way of investment in new plant and expansion of existing facilities than was in total physically possible or was financeable out of new domestic saving plus borrowing from abroad, it would serve no useful purpose, but on the contrary do much harm, to have the total supply of credit expand so fast as to equal the excessive demand.

It is possible, therefore, that even when the total supply of money and credit goes on increasing—as is happening today, as bank loans are doing month after month—nevertheless the demand for credit, for access to funds giving the right to use the savings of others, may at times increase even faster, and part of that demand may have to go unsatisfied. The fact that there might be some unsatisfied demand in such circumstances should not be allowed to obscure the more important fact that the total amount of investment was continuing to grow at the highest feasible rate, that savings were continually growing, and that larger totals of money and credit were in fact available than ever before.

From all indications, the supply of funds in the capital market in 1956 will be at a higher level than in any previous year. The demand for such funds may be even greater, to judge from the figures of 1956 capital investment intentions which were published last week, but demand for capital, and credit, can change relatively quickly. What kind of economic conditions we shall actually face in the future I do not pretend to know. The margin between under-employment on the one hand and inflation on the other is a relatively narrow one. Economic equilibrium at the desired level is almost bound to be upset from time to time, from one side or the other, by a variety of changing factors, mainly psychological: a swing in public attitudes to consumption versus saving, or a change in the outlook for new business investment or in the demand for new houses; even changes in timing, such as are involved in decisions whether to build up or reduce inventories. And in Canada we are always subject to major dislocations as a result of external events entirely beyond our control, such as a slump in the demand for and physical volume of our exports, or increases or decreases in world prices affecting either our exports or our imports, on both of which the Canadian economy is heavily dependent.

In our circumstances, readiness to adapt policy to changes as they occur, flexibility in action rather than adherence to preconceived plans, will be as important in the field of money and credit, as in all activities affecting the financing of economic growth in Canada.

"AUSTRALIA REVISITED"

An Address by

ANDREW STEWART, B.S.A., M.A., D. Ecom., LL.D. (Manitoba) LL.D. (Melbourne)

Thursday, March 1, 1956

CHAIRMAN: The President, Dr. C. C. Goldring.

DR. GOLDRING: To-day, we are privileged to have as our guest a distinguished Canadian who, when a young man, left his native Scotland to seek fame and fortune in the Canadian West. I have no information as to whether or not he has acquired a fortune but I do know that he has attained fame, particularly in connection with his work at the University of Alberta.

He is a graduate of the East of Scotland College of Agriculture, and also has two degrees from the University of Manitoba. He served as lecturer, professor, and Dean of Business Affairs at the University of Alberta during the period 1935 to 1950, when he was appointed President. He has filled that position with distinction.

He has had other experiences, too. As a young man he farmed for two years in Manitoba. He has served on three Royal Commissions, namely, the Royal Commission on Provincial-Municipal Relations, Province of Alberta, 1947-48; the Royal Commission on Natural Gas, Province of Alberta, 1948-49; and he is now a member of the Royal Commission on Canada's Economic Prospects, which has sat in various centres throughout Canada during the last few months.

During 1955, President Stewart visited Australia. It was not his first trip to that country and to-day he is going to tell us about that important member of the British Commonwealth. During the present season we have not heard an address dealing with Australia. It is a pleasure to introduce President Andrew Stewart of the University of Alberta, who will speak to us on the subject "Australia Revisited."

DR. STEWART: In 1924 I came to Canada from my home in Scotland. After a summer in Manitoba, and a portion of the winter on Vancouver Island, I proceeded to Australia and remained for ten months. Last summer I had an opportunity to return there, for a visit extending over one month. Hence the title I have given to this talk "Australia Revisited." However, it is not my intention to attempt to describe the changes which may have occurred during the 30 years from 1925 to 1955. On my earlier visit I saw Australia through the eyes of a young wandering Scot, uncertain of his home or vocation. After 25 years in North America my viewpoint was that of a rapidly ageing Canadian University President. Although during the intervening years I have retained an interest in the Commonwealth, the comparison, I am afraid, would have little significance.

There are some things about Australia which we all know. We know that it is an ancient continent, with a land mass of about 3,000,000 square miles, or roughly the same area as the United States; and that although its coastal plains are productive, and its pastoral lands extensive, much of the Continent is arid. We have seen pictures of the Australian landscape, with the characteristic eucalyptus gum trees; and we are familiar with the blossom of Australia's national tree—the wattle. We know about the primitive fauna — the marsupials (kangaroo, wallaby, possum and platypus); the ancient types of birds (emu, cassowary, lyre-bird, and kookaburra); the dingo dogs and koala bears. We have heard of the concentration of population in large urban centres; that more than one-half of the inhabitants live in the capital cities; and that the combined population of Sydney and Melbourne account for more than one-third of the total. We are curious about the Australoid aborigines, the surviving stone-age men, who continue their nomadic existence in the interior of the Continent. We have heard many times that the original white settlers who landed at Botany Bay in 1788, were convicts and that for many years the country persisted as a penal colony. (We are perhaps less familiar with the fact that the new land in the South Seas was selected for this purpose, because of the loss of the American colonies). We know that the people of Australia are, today, predominantly of British origin, over 90% having been born in Australia and over 7% in the British Isles; and we are informed about the so-called "white Australia" policy. Our newspapers let us know that the Australians are an out-door sports-minded people, concerned with and excelling in, cricket, tennis, golf, horse-racing, and acquatic sports. Some of us met Australian troops during World Wars I and II; others entertained young Australian airmen who came to Canada under the Commonwealth Air Training Plan; and through these contacts we think we know something of the Australian mind. We know that Australia has had a Labour Government; that some of the state railroads have different gauges; and that the principal export is wool.

These things are of common knowledge even among Canadians less well-informed than you are. I need not dwell on them.

The opportunity to visit Australia last August came to me as one of two representatives of the National Conference of Canadian Universities to the meeting of the Executive Committee of the Association of Universities of the British Commonwealth, held in Melbourne. Through the courtesy of the Australian vice-chancellor's Committee, we were privileged to spend a day or two at each of the 10 Australian universities. This made it possible to learn something of the educational system, and to contrast it with our own. I should wish first, then, to say a little about those features of Australian education which impressed me; and which I believe would be of interest to Canadians.

In Australia, education, at the school level, is a responsibility of the State-Goverments rather than of local authorities. I should not wish to condemn this, although my own preference would be for the system we have in Canada, a system which places a significant measure of responsibility on local school boards. The Australian State system provides elementary education, and secondary education in high schools and technical schools; although some high schools are composite or double purpose. State schools are co-educational, but there are many private, and usually denominational schools for boys and for girls. It is possible to qualify for admission to the University through State schools; and apparently an increasing number are proceeding in this way. However, a substantial proportion of university students have received at least their secodary education in private schools. The academic curriculum, in both private and State high schools, is similar to that in the United Kingdom. The universities too are strongly influenced, in organization and programme of studies, by the British tradition. The staff is drawn almost entirely from the United Kingdom, or from graduates from Australian universities who have had an opportunity to do post-graduate studies there. The continuing tendency to parallel the British system, and the close connections maintained with Universities in the United Kingdom have, I think, two consequences. First, the emphasis is strongly on scholarship and academic standards are high. The typically higher standing of Australian Rhodes Scholars than of North American scholars is at least evidence that the Australian system is more closely integrated with the British System than is ours. The second consequence of the closer connection with United Kingdom education is that there appears to be, in Australia, a certain exclusiveness and, in the universities, a measure of aloofness or detachment from the dynamic life of a new and emerging society. The dilemma is one with which we are not wholly unfamiliar. In North America the universities have sought, and I believe have achieved, a higher measure of identity with their community; it may be with some weakness of the academic influence or at least with some prolongation of the time required to reach a given level of academic achievement.

As a Canadian, I was interested to find that, although education is a concern of the States, the Commonwealth government has intruded in two important ways. There is, first of all, the scholarship scheme financed by the

Commonwealth Government. Students given assistance under this scheme have their fees paid, and in addition receive a living allowance adjusted to the income of their parents. The living allowance which, at its maximum, is somewhat less than the full cost of support, is greater if the student is living away from home; and the family income to which it is related is "adequate" for the number of dependent children in the house. This is, I think, a well-conceived scheme. By consideration of financial need, it makes the most effective use of the funds available; and it must be supposed that it brings to the universities annually a substantial number of students who would otherwise be excluded from full-time studies.

The second contribution of the Commonwealth Government to university education has been made through the establishment of the National University at Canberra. The National University, wholly financed by the Commonwealth Government is being developed as a graduate and research institution. At present it has four main units: a school of medical research, and research schools in physical studies; social studies and Pacific studies. It is generously supported, excellent facilities are provided, and the standards of achievement will no doubt be high. As a centre of advanced studies, and as a source of well-prepared teachers and research workers, the National University will have a profound influence on the entire system of higher education in the country. However, the creation of the National University is not universally approved. It is competitive with the graduate schools in the State universities. The alternative would have been for the Commonwealth Government to support the graduate schools in the State universities, perhaps with some specialization between the different institutions. This may not have been a practical alternative in Australia; but there are Australians, particularly in the State universities who believe it would have been preferable.

One or two other recent developments in Australian education must, I think, be of some interest to Canadians at this time. Australian universities have, in most cases, quite a high proportion of part-time students who are continuing their education while employed. The new University of New England situated in the small town of Armidale, N.S.W., suggests some tendency to decentralization. There has recently been set up in Sydney a University of Technology. This new university was designed to offer a programme of technological studies not provided for at the University of Sydney. Having embarked on these programmes, it is now strengthening its Faculty of Arts and Sciences, and aims at patterning its development after the Massachusetts and California Institutes of Technology.

In Canada, as we attempt to meet the growing requirements of industry, and of society generally, for educated and skilled men and women, and to provide the facilities needed for the greatly increased number of young people coming forward from the schools we will have to give thought to the possibility of continuing education while in employment, to some decentralization of facilities, and to the place of the technical college in our system of advanced education. Perhaps industry will find it to its advantage to enable employees to advance their formal education and practical experience at the same time. Universities can grow too large; and the smaller local institution, with limited objections, is not necessarily uneconomical if its educational results are properly assessed. The demands of industry for skilled personnel may well require the establishment or expansion of technical colleges. But their purpose is not the same as the purpose of the university and their essential contribution will not be effectively performed if they simply become universities under another name.

Before turning to some aspects of the economic life of Australia, I should like to refer briefly to two other matters of some importance in the life of a nation—the arts and scientific research.

Some time ago, a Royal Commission investigated and reported on the state of the arts in Canada. We have, however, done very little about it. This is unfortunate; because, it is clear that further encouragement of the arts could add colour and interest to our national life, particularly if it reached the great mass of the people. I would not wish to say how deeply the interest in the arts has penetrated the body of the Australian people; but there is evidence that the artist in the theatre, painting, letters, and music, is welcomed and is contributing to the national life. In letters, the Commonwealth Literary Fund gives active encouragement to authors. The Fund provides grants to universities for courses of lectures on Australian literature, guarantees publications of literary merit; and offers fellowships to recognized writers who wish to undertake some specific work. The Australian Music Examinations Board, a national body holding examinations in every state, has helped to raise musical standards. All capital cities have their permanent orchestras which are managed by the Australian Broadcasting Corporation, and receive assistance from the State-Governments and the municipal authorities. Each of the States has its national art gallery, in which both rare works and paintings by contemporary Australian artists are displayed. Melbourne, with a population roughly the same as Toronto, has five theatres providing live performances on a commercial basis, three semi-professional Little Theatres, and numerous amateur groups.

Canada has perhaps less to learn from Australia about scientific research, both pure and applied. However, much useful work is being done by the Commonwealth Scientific and Industrial Research Organization, which is the Australian counterpart of our National Research Council. C.S.I.R.O. is financed mainly by grants from the Commonwealth Government; but it also receives substantial contributions from industry towards specific projects. The Organization supports research at the Universities but carries on extensive and varied programmes through its own facilities, which are widely dispersed throughout the country. Its contribution to agriculture can be illustrated by two recent achievements which have substantially increased the productive capacity of the pasture and arable lands. These are the introduction of myxomatosis for the control of the rabbit pest, and the determination and correction of deficiencies of trace elements in the soils.

I turn now to the economic life of Australia. It will not be possible to do more than to select a few aspects which would seem to be of some particular interest.

In interpreting Australian activities it is necessary to bear in mind that the Australian Constitution differs in important respects from the Canadian Constitution. The States of New South Wales, Victoria, South Australia, Tasmania and Queensland were all granted full rights of self-government between 1855 and 1860. Western Australia was created an autonomous state in 1890. It was not until 1900 that a federal constitution was adopted. The first Commonwealth Parliament met in 1901. The earlier establishment of six sovereignties on the Continent explains the nature of the Commonwealth Constitution, which follows the United States pattern more closely than the Canadian. In Australia the specific powers of the Commonwealth are set out in the Act; all unspecified and residual functions fall within the jurisdiction of the States.

Although the position of the States is relatively strong —it is, for example, strange to find domestic prices controlled by the States—the actual responsibilities of the Commonwealth Government have tended to increase with the expanding needs of national defence, the general acceptance of a full employment policy, and the demand for wider and more uniform social services.

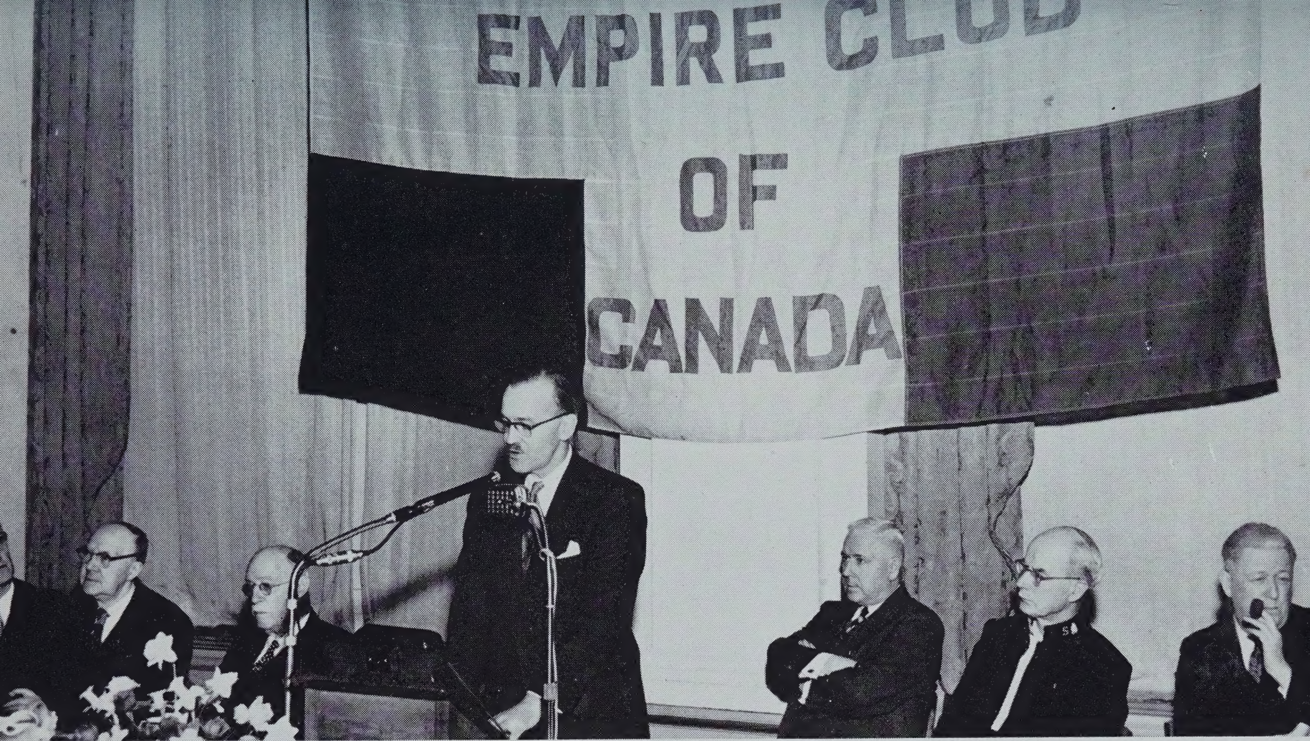
On illustration of effective inter-governmental co-operation is to be seen in the Australian Loan Council. As early as 1927 the public debts of the States were taken over by the Commonwealth, and control of future borrowings was vested in the Australian Loan Council. The Council consists of representatives from each of the States and one from the Commonwealth, the Commonwealth representative having two votes. The objective of the Council is to co-ordinate public borrowings, and to avoid competition in the loan markets at home and abroad. The Council decides that amount which in any year it believes can be borrowed on reasonable terms, and allocates the amount between the several governments. If unanimity is not reached, the legislation provides for allocation by means of an automatic formula. However, it is my understanding that the vote has always been unanimous.

During the war the income tax field was taken over, and since the war has been retained, by the Commonwealth Government. Grants, known as reimbursement grants, are paid to the States. These are based upon a formula which provides for annual adjustments reflecting changes in population and in the level of wages. The reimbursement grants determined by the formula have recently been supplemented by special financial assistance grants from the Commonwealth to the States. In addition to the grants derived from the rental of the income tax field, the Constitution makes provision for special grants based upon fiscal needs; and such grants have been paid to some of the States for a number of years. These "equalization" grants are established upon the recommendation of a Commonwealth Grants Commission.

It was only in 1945 that the Australian Parliament passed legislation for the regulation of banking. The Central Bank — the Commonwealth Bank of Australia—has been established with statutory authority to control the volume of bank credit, to determine the lending policies of the trading banks, and, with the approval of the Commonwealth Treasurer, to fix maximum rates of interest for banking transactions. The Commonwealth also operates a Trading Bank offering general banking service, and provides Savings Bank facilities through the Commonwealth Savings Bank of Australia.

Energy provides the key to industrial development. Australia is limited in its range of energy resources. It has ample coal; few natural resources capable of generating hydro-electric energy; and no petroleum. Some uranium deposits have been found and are being developed. Industrial expansion has at times been restricted by shortages of generating capacity. The Commonwealth and States Governments have moved to rectify this condition, and recent developments have considerably improved the situation.

There are ample reserves of anthracite in New South Wales, and of brown coal in Victoria. Because of the anthracite deposits, New South Wales is the centre of the steel industry, iron ore being brought from South Australia. The Government of Victoria has developed the Yallourn brown coal field — a field of some 800 square miles with an estimated reserve of 40 thousand million tons. At present an immense open cut, i.e., a strip-mining operation, is providing some 6 million tons annually. A


EMPIRE CLUB
OF
CANADA

DR. ANDREW STEWART MEETING, March 1st, 1956. *From Left to Right:* Prof. D. G. Creighton, Prof. E. J. Pratt; Dr. Sigmund Samuel; Dr. Andrew Stewart; Dr. C. C. Goldring; Commissioner W. Booth; Dr. Sydney E. Smith.

John A. Diemand, March 29th, 1956.

large part of this output is going into power generation.

Water is one of the major deficiencies over large portions of the continent. The most important river is the Murray, which over a large part of its distance (about 1,200 miles) determines the boundary between Victoria and New South Wales. This river, along with its tributaries, drains a watershed of almost one-half million square miles. Interest has long been evidence in the possibility of using the water in the upper reaches of the system to develop hydro power, and by control to irrigate the dry lands of the valleys. In 1949 the Commonwealth Government appointed an Authority (the Snowy Mountains Hydro Electric Authority) to commence an elaborate project, including mountain tunnels, aqueducts, power stations and dams. The first power plant has been completed. If and when the full project is finished, it is expected it will create installed capacity of more than three million kilowatts, and more than 2 million acre feet of water for irrigation. It is, therefore, in concept similar to a combination of the Kemano-Kitimat and the South Saskatchewan Irrigation Project in Canada. It has the capacity to add progressively to the production of hydro-electric energy as may be required, but it does not seem possible that it will provide low-cost power.

Australia must import all its crude oil and petroleum products. This is a serious handicap, particularly in view of the long distance over which oil must be transported to reach the continent. Geologists appear optimistic about the prospects of discovery of crude; but so far only a few wells have been drilled. A small flow of crude was obtained from one well in Western Australia. Some of the oil companies appear to prefer the prospects in New Guinea, and are actively exploring there; but payable quantities have not yet been tapped.

The Commonwealth Government has followed policies designed both to stimulate industrial expansion and at the same time to assist the production and marketing of the country's main primary products. Substantial protection for domestic industry is provided under a system of preferential, intermediate and general tariffs. During and since the war it has been necessary to supplement the tariff with import licensing regulations. By 1950 licences were required only for imports from the dollar area and Japan; but in 1952 they were extended to imports from all sources, with the object of safeguarding currency reserves. Under a full employment policy there has been a continuous pressure on manpower and resources, with inflationary tendencies. The post-war expansion of secondary industries has been substantial, but not, I think, on a scale comparable with the expansion in Canada.

Almost one-half of the country's imports are from the United Kingdom, and the value of British imports exceeds the value of Australian exports to the U.K. The principal imports from this source are machinery, metal products, textiles and chemicals. Australia imports some machinery, automobiles and petroleum from the United States; and automobiles, lumber and paper from Canada. Ninety per cent of her imports are unprocessed or partly processed primary products—wool, wheat, meats, fruit and sugar.

Exports of most foodstuffs are regulated by Export Marketing Boards. The Boards are established under Commonwealth statutes. As I have already mentioned, only the States can regulate domestic prices. Under some of the marketing arrangements, e.g., dairy products, the total supplies are pooled by the Board, but a higher price is charged on the domestic market than can be obtained by export. Such two-piece arrangements require complementary legislation by the Commonwealth and State Goverments.

The relations between employers and employees in the matter of disputes, hours of work, and basic wages are subject to a considerable measure of regulations. Conciliation in disputes is provided by Commonwealth Conciliation Commissions, but if conciliation fails, formal arbitration proceedings ensue before the Commonwealth Arbitration Board, and an award made by the Board is binding on both parties. Compulsory acceptance of arbitration awards has not, however, eliminated work stoppages. The Commonwealth Arbitration Court determines from time to time basic wages for adult male and female employees. The female rate is 75% of the male rate. The basic wages vary from place to place, and are changed from time to time to reflect differences in changes in the cost of living. The basic wage is legally payable, although an employer is not prevented from paying a higher wage. Forty hours per week is standard, although a shorter week has been granted for some occupations.

I have commented briefly on some aspects of the fiscal, production, trade and labour policies and programs of the country. My purpose has been to describe rather than to appraise or to predict. It can be said within the limits of her resources Australia has enjoyed a substantial measure of prosperity, with occasional crises, during recent years.

The dominant impression I carried away from my recent visit was a feeling of isolation, which seems to be shared by the people of Australia themselves. The reasons are to be found in the simple facts of geography, and the equally compelling facts of recent history. Australia is the outpost of Western culture on the fringe of the continent of Asia. The fall of Singapore and the imminence of invasion during the war have not been forgotten. Australia is a British country. As I have indicated, the cultural and commercial ties with the Old Country have been close; and I would expect that they would remain so. However, it seemed clear to me that Australians would wish to cultivate a closer association with North America, and particularly with Canada. It seems that sometimes Canadians are not quite sure whether they are blessed or cursed by sharing a continent with a powerful and wealthy neighbour. I gather that, situated as they are, Australians feel that we are favoured. There is a substantial fund of goodwill towards the United States, but Australians, it seemed to me, feel a particular affinity to, tinged with some envy of, Canada. I would hope that, as the years pass, we may find ways and means by which, through the movement of people, the change of ideas, and of commodities, we may develop closer connections with our cousines in the Antipodes. This, I am sure, would be mutually rewarding.

“A TWO WAY IRON CURTAIN”

An Address by

MR. I. NORMAN SMITH
Associate Editor of The Ottawa Evening Journal

A Joint Meeting with The Canadian Club of Toronto

Monday, March 5th, 1956

CHAIRMAN: The President, Dr. C. C. Goldring.

MR. JOHN GRAY: It is a privilege to welcome again at this table our speaker, Mr. I. Norman Smith, Associate Editor of the “Ottawa Journal”. Mr. Smith spoke to the Canadian Club here two years ago and that was an occasion which many of us remember with great pleasure.

Norman Smith was educated at The Grove School, at Lakefield, and then served a long apprenticeship in newspaper work. During eight years with the Canadian Press he lived in most of the cities of Canada, in New York and in London.

Subsequently, with the “Ottawa Journal”, he began to develop a growing interest in international relations, and a growing reputation for observing them with a clear eye and commenting on them in an arresting way.

When the United Nations was formed he attended the charter meeting and has attended every General Assembly since. On related occasions he has travelled extensively in Europe, the Middle East and the Far East. By now he is certainly one of Canada’s most travelled as well as most quoted commentators on world affairs.

Last year he completed a trip around the world, so that it seems to me he has little left to do except to speak to us today, take up space travel, and persuade John Gunther to write a book entitled “Inside Norman Smith.”

Mr. Smith’s views on his Russian trip about which he will speak now have been regarded as an important and challenging statement, and I assure him on your behalf that we shall hear him with the keenest interest: Mr. Norman Smith.

MR. SMITH: May I say at once that I am uncomfortably aware that there is some gall and presumption in the fact that I, a reporter from Ottawa, should venture to talk to a joint meeting of The Canadian Club and the Empire Club about *Russia.*

You may well ask, what can I possibly know about Russia! I am encouraged to hold my ground because you could have asked a *Russian* 20 days ago what *he* knew about Russia and the next morning his answer would have been very cold bortsch indeed. The man at whose tomb he worshipped on Tuesday was Wednesday read out of the party.

Clearly it is a country where a fellow has to choose his saints carefully and be prepared to review the bidding. Little wonder that a people of such agility took quickly to hockey; stickhandling between truth and untruth, specially when true becomes untrue and then retrue, must be one of the fastest games in the world. I must say that when I saw Lenin and Stalin in that joint tomb of theirs in aspic under glass they both looked very settled indeed and there was no sign of any eviction order. But that granite honeymoon is over and any day now they'll be told to lie separately.

In such a league of uncertainties, then, how does a passing reporter venture to call the score?

Well, presumably he should try to report just what he saw with his own eyes. But there's an odd thing about that—since coming home I have learned that what I saw with my own eyes I didn't see with my own eyes.

Many who read my Russian articles here or in other Canadian papers just smiled knowingly and put them aside. "Smith's been taken in", they declared. They gave my reports and Mr. Pearson's trip to Russia scarcely another thought.

Gentlemen, I would like to talk to you about this today. I refer not to any personal pique that I am not accepted as a poet or prophet. I speak of the fact that since returning I have found from letters on my desk and at my home, and from phone calls and personal conversations with friends and strangers, that Canada is full of people who know infinitely more about Russia than I do. Almost without exception none of them has been there.

I gather, too, that this has been the discovery of others who went on Mr. Pearson's party and that the Minister's own revelations have been received with more than the traditional grain of salt allotted Cabinet Ministers' pronouncements.

Coming home I flew across Canada. In one airport a stranger began to talk to me when she learned I had been in Russia. She was a dear old lady and wanted to talk. But when I told her I had gone in with Mr. Pearson she said "Humph, and what a lot of rubbish he talked when he came home. I hope you know better."

Bernard Pares, in a book on Russia published in 1940 wrote of the massive ignorance of the rest of the world on Russia. Russia was just not on our curriculum, he said. Russia is still not on our curriculum and apparently we don't want her to be.

Mr. President, I am talking not about likes and dislikes but about knowledge and ignorance. I am talking about a two-way iron curtain.

Before I go on perhaps I should summarize here, in not more than two or three paragraphs, what I reported from Russia.

I found a country where the State is all and the individual nothing, where freedom is almost exclusively the freedom to do what you are told is in the interest of the State. I attended a pathetic service in a Roman Catholic Church that testified grimly to the persecution of religion. I was dealt with by an officialdom which though "correct" was machine-like, and whose arrogance to the unprivileged citizen could easily be though revoltingly imagined.

I told of the uncivilized "hospitality" of Messrs. Khrushchev and Bulganin when they so very crudely determined to make the Canadian foreign minister and his party become ill from the forced repetition of 20 Vodka toasts; and I depicted Khruschev as a man who perhaps from fear, ignorance and arrogance combined, might easily misinterpret some Western move and in what he thought was self-defence crush the push buttons at his elbow and send the world to atoms. I wrote that I despised communism with heart, mind and soul, and that there could be no mistaking that Soviet Russia and Soviet Communism aimed to rule the world, even as Pravda reminds us every day with its abiding slogan: "Workers of the world, unite."

But I also reported that I hadn't seen many underfed people in the crowded cities, nor inadequately clad people, nor shriven, beaten apathetic people. I had been amazed at the busy cities as I strolled around freely by myself, at the TV, at the book stores, at the signs all around of vitality and alertness, of pride in country and in work, and a longing for education. Train travel had been comfortable, shops had been full of goods and full of people freely buying, markets had been crowded, parks showed carefree gaiety, opera, ballet and theatre revealed exquisite, matchless beauty and artistry. I hinted at the dynamics of communism, at production and development running at full spate, at cleverness in propaganda and skill in mass psychology. I said I believed—and regretted—that Soviet Russia under communism was a *going concern.*

Now then, by some process or habit of thought it seems that the majority of readers ignored my criticism of Russian life and my indictment of Russian intent. Instead. they fastened exclusively and resentfully on everything I said about power and progress, about health and wealth and relative contentment.

Some heatedly contested my right to any view on Russia as I had been only in Moscow, Leningrad and down in the Crimea. Then they would give their own view with all the certainty enjoyed only by those who have *never* been in a place and scarcely ever read of it.

Others would ask why I hadn't written about Siberia or gone to the labor camps and the prisons or to the backward areas. "You *couldn't* have got to those places!" they'd exclaim, and then ride me for not having gone.

And a few, bless 'em, snuggled comfortably into their own conception of Russia by asserting that I was a "pink" and probably received free board and lodging in Moscow. If only they knew what it cost us to live in Moscow! Maybe $40 or $50 a day, but that's another story.

Now I am not just talking about a few crackpots or cranks. I have encountered an almost universal unwillingness to accept the Russian story which Mr. Pearson and his party — and the reporters along with them — brought back. The unwillingness varies in degrees, but it exists right here in this room, among my closest friends, in the reaches of my family. I believe it is a national failing of great potential danger and I raise it as such to this meeting.

Gentlemen, I didn't go to Russia to confirm that there are prison camps. We know that. I didn't go to Russia to confirm that there is oppression of religion. We know that (and Marshal Khrushchev has recently said himself that Russia should be atheist and that Russians should be discouraged from taking what he called the "opium" of religion). I didn't go to Russia to find out if there is what we call individual liberty. We know there isn't.

I did go to Russia to see what I could see, on the streets, in the country, in the cities, in the faces of the people, in the stores, the markets, and play-places and the work-places. And in due course I wrote that what I had seen had surprised me and had hurled my ignorance into my face.

This confession of ignorance sent a Toronto man into a very agony of scorn and he wrote a feverish letter to the Montreal Gazette — which kindly published my Russian pieces — about my childish naiveté and disgusting sycophancy.

I do not take back my confession nor my shame at my own ignorance. I suggest a capacity for surprise and shame is something that Canadians are a little short on. It seems to me we are far advanced to the point where we believe only what we want to believe; and to where we believe that only *what we like* can be successful.

Insofar as Russia and the Russians are concerned, because we deplore their ways we minimize them and belittle their achievements. On this opium we sit by in a kind of coma of ignorance, defying their success and indeed almost denying their existence.

Gentlemen, some of you hate all Russians and all their works. If you do, you should all the more want to learn about them and know what they are doing. Some of you believe with a fire-hot certainty that Russia is going to declare war on us when it suits her. You should then be vigilant in your study of her war-making potential. Some of you cling to the belief that somehow we can and must coexist. You then, above all, should be zealous in your efforts to know and to understand, to clear away the barriers of dark and of mutual mistrust, to base your hopeful policies upon facts rather than fancies and fears.

Mr. President, at this point someone might well ask "What are the facts?" Certainly I cannot answer the question satisfactorily. But let me have a go at it.

Is it not possible, before an intelligent audience, to take for granted what we may call the dark facts: the purges, prisons and oppressions, the inhumanity to man, the labyrinthine foreign policy? I do not ask that they be minimized; on the contrary, I state them first. But an inventory of Russia's wrongs would take us to teatime and there is another inventory I have in mind that may be equally important.

I have already summarized my own observations in Russia. Let me tell you of some other things.

The August issue of *The Communist* declared atomic energy to be the greatest discovery of the 20th century. Could there be more convincing evidence to us that the Russians feel they are near or at the head of atomic energy development?

The New York Times on January 24, 1956, reported that according to the new Soviet Five Year plan Russia by 1960 would be producing 2,000,000 to 2,500,000 kilowatts of atomic energy. Against this Great Britain plans to have 1,500,000 to 2,000,000 kilowatts generating capacity in 1965, and in the United States six major projects are scheduled to have a combined capacity of 689,000 kilowatts in 1960. In short, they will be ahead of us in 1960 and presumably further ahead in 1965.

The Kiwanis magazine recently presented the six page report of the 12 American farmers who toured Russia last summer, one of whom was a Kiwanian from Iowa. They found things back on the farm in Russia about as impressive as I found the cities of Moscow and Leningrad. Are we going to say the U.S. farm mid-west is pink?

I was very impressed with the vast Agricultural Exhibition in Moscow, a permanant establishment that incredibly combines a farm fair, an agricultural college, an industrial exhibition, botanical gardens and amusement park. There are 276 buildings. It was tremendously impressive to us and must be more so to peasants from the Russian outback. I was telling someone of it the other day and he sneered that of course it was a lot of Soviet propaganda on its people. Well *of course* it is propaganda. What's more, it is skilful propaganda and effective propaganda. It instils pride in nation and achievement and these things beget themselves. However I have mentioned the exhibition here for reason of fact, not propaganda. As we walked through one of the buildings Mitchell Sharp (who was conducting the trade talks) and I noticed a kind of mural depicting the growth of Soviet agriculture. One of its claims was that 70.2 million acres of new land had been broken in the Soviet in the last year and one half. There are 60,188,000 acres under cultivation in Canada now. The Soviet claims to have added more than our entire acreage in a year and a half. Between 1941 and 1955 Canada increased acres under cultivation by 4,000,000. The Soviet added 70.2 million in a year and a half.

Now then you say that's hard to believe. Well. I've done some double checking on it and it is close enough to truth to be uncomfortable.

At its meeting in December NATO considered that Russia had 400 submarines, more than half of which are large and medium sized ocean-going types. NATO also considered with awe Russia's known advances in long-range missiles which may before long carry thermo-nuclear warheads.

Jane's "All the World's Aircraft" recently announced in London that Russian air strength was growing rapidly and will soon challenge Western air superiority. Planes are being made in 360 Soviet factories. General Twining, American Air Force Chief of Staff, said in October that the growth of American air strength had fallen far behind that of the Soviet Union. "They possess, he said, "thousands more combat planes than we do", and they were catching up in other categories.

At the last NATO meeting, too, General Gruenther said NATO's defence forces were lagging behind schedule. He spoke in terms of number of troops as well as quality and equipment. Lord Ismay told NATO that Russian armed forces remained at about 175 divisions; but the quantity and quality of their equipment had greatly improved. Admiral Wright, NATO's navy chief, said the Russian submarine fleet was larger than those of all other nations put together.

Hanson Baldwin, New York Times military expert, puts the armed forces of communism, not counting Asia, at 7,000,000.

Sir Winston Churchill, in his first major speech after the general election, said in December: "The behaviour of their leaders must not lead us to suppose that Russian power and capacity are not growing in many other directions. Technological education is an all-important subject in which Great Britain has allowed herself to fall behind. We are already surpassed by Russia on a scale which is most *alarming*."

In New York, former Congressman William Benton, back from Russia, asserted Soviet industrial production was increasing at the rate of six percent a year as against three percent for America.

In London Sir Robert Shone, executive member of the Iron and Steel Board who led a mission to the Russian steel industry recently, said that in Russia's modern steel plants output per man was equal to Britain's best rate but that the best rates in England and the United States would have to increase more rapidly than at present if they were to keep pace with the acceleration in Russia. He reported that financial incentives, propaganda and social rewards were increasing Russian workers' output. He spoke glowingly of new houses and labour communities built close to the mills. Gentlemen, this was not stated at a press conference but in a lecture to the British Iron and Steel Institute.

And, Sir, *Canada* has a distinguished industrialist adding his evidence to this story—a man not ordinarily known as a Communist nor even a Pink. I refer of course to Mr. James Duncan. May I remind you of some of the things he has said about Russia as a result of his visit there last October? I quote some of his observations:

"A vast, dynamic, forward-thrusting force which is still in the expanding phase . . . a robust, hard-working and vital people . . . a great desire to learn . . . I believe this avidity to improve their education is due, in some measure at least, to a sense of dedication, a desire to be more useful citizens and to play a more valuable role in building up the State . . . the industrialization of Russia is an impressive spectacle . . . I was left with the *very definite impression* that Russia's major industrial problems are already behind them . . . the tempo of work in the plants visited was good, and as far as I could judge, superior to that of either the U.S.A. or Canada . . . I am informed Russia turned out nearly twice as many graduate engineers last year as the United States did . . . the real threat to world peace as I see it does not spring alone from Communism. The real threat is the joining of the dynamic forces of Communist ideology with Russia's historical expansionism."

That is what Mr. Duncan says.

James Sinclair, our own Fisheries Minister, was loosely said to have disagreed with the remarks of Mr. Pearson on Russia's active scene. I think it was more about recognition of Communist China that the two skated around each other with caution. Hear what Mr. Sinclair has said about Russia.

He was impressed with the passion for learning he found in Russian people. He found nothing phony in the Russian fisherman's talk of longing for peace. He reported gigantic industrial strides in Russia. He was struck by their emphasis on science and technology. He saw a new and model fishing town better than any he had seen in the West. He heard short wave radio coming in from Ottawa clearer than he had ever heard radio at such a distance. He found Russia putting great emphasis on teachers and teaching. Teachers were being rated in the social scale next to Communist party bosses and the best buildings in many communities were the school buildings.

Well now I submit that when a Canadian Cabinet Minister reports in such tones about Russia we should stir ourselves. But I learn that Mr. Sinclair's remarks had little effect on Canadians.

Now suppose we examine Mr. Pearson's speeches. He too had to be carfeul of what he said. A Foreign Minister can't hop about the world shooting from the hip like a newspaper reporter, and Mr. Pearson had to bear in mind that any strong stuff he said about the progress or well-being of Russia might be used by Russian propaganda machines throughout the world.

I combed his speeches and broadcasts and press conference reports, and I have read an article he wrote for Look Magazine in the United States. Some have asked why he would write his rather outspokenly critical views on foreign affairs for an American publication. I suspect he wrote it to shake the Americans a bit. Hear what the manager of our external affairs, one of the most experienced men in the business of foreign policy, had to say:

"I have come back very worried that we may be failing to adapt our foreign policies to the changing conditions . . .

"Where there *is* a clearly defined Western policy it is too often concerned with the necessary, if limited and often inadequate goal, of containing communism by merely military means . . .

"We will lose ground unless we readapt our tactics . . .

"Time is perhaps no longer on our side, for the first time since the cold war started."

Now, those are all quotations from Mr. Pearson's article in a large-circulation American magazine. Don't think he didn't weigh them.

To the Women's Canadian Club in Ottawa Mr. Pearson also talked of Russia.

He made clear he was there only a short time and didn't see all Russia (we have all to make these sort of apologies before speaking to Canadians about Russia) but he said his eight days shook him. "Shook" is his word, and this is not a man who shakes easily.

"My abiding impression," said Mr. Pearson, "was one of great power on the part of the state, of massive power, massive strength, indeed great collective wealth and of inflexible purpose . . ."

Mr. Pearson also said this "One certainly does not get the impression after visiting Russia that they are a beaten, serville, lifeless people. One does not get the impression that they miss their freedom as we would miss it."

Gentlemen, I have quoted our Foreign Minister at some length because I get the impression these revealing—startling — statements had not nearly the impact on the Canadian mind that they should have had.

Really, how much warning do we need that Russia is a mighty and flourishing nation? Indeed, it is a galaxy of nations, sprawled over two continents and still expanding.

Think of what happened to Germany's Chancellor Adenauer last September. Remember, he went to Moscow amid much pomp and fanfare, on shining new German trains. He was going to assert Germany's ascendancy and champion Western demands. All that came out of his trip was a rebuke from Russia on all his demands and a statement from the German Chancellor afterwards that his defeat reflected the fact that — I use his words — "the Soviet Union extends over one sixth of the earth's surface and is at the moment one of the most powerful states in the world." He added that he found Russia chiefly interested in its own "mass of tremendous tasks in the interior . . . economic, social and cultural tasks" and he called on the free world (again I quote) "to take notice of this desire and with all necessary caution try to create a period of peaceful development."

Gentlemen, Chancellor Adenauer's words are the words of a man who has run up against something massive, something quite beyond expectations. The note of fear is not far beneath the surface. And remember this, when Chancellor Adenauer went in he was armed with a special and very unusual statement of support from the President of the United States.

And now I come to another fold of the Iron Curtain which seems to darken our thinking about Russia.

Several people have said to me, in effect: "We thought your pieces about Russia were pretty good, but then Khrushchev and Bulganin went to India and Burma and called us all rude names and spoiled your argument." Similarly, I gather some people have been asking what was the point in Mr. Pearson's going to Russia if the Russians were just going to go on with their mischief and their ingenious exploitation of world discontent.

This is curious thinking.

What can a further display of Russian bad manners and Communist propaganda have to do with a report of the power and development of Soviet Russia except to give that report even greater meaning and urgency? I had not said a word about Russia's intentions except that she planned to rule the world. I did add that she was making physical progress towards that intent.

And let's think cautiously about that sort of travelling circus which the two Russian leaders staged in India and Burma. It is all very well for the Foreign Office chappie in Downing Street to say they spoke ludicrous nonsense, and for some of us to suggest that the Reds overplayed their hand with the sensitive Indian leaders. A circus isn't designed for intellectuals or for leaders but for *masses*. One diplomat I met in New Zealand told me he had never seen anything like India's reception of the Russians, and one hears that our own, External Affairs Dept. considers that the Russians made quite an impression.

What should concern us about the Khrushchev-Bulganin trip is not that they cavorted like clumsy elephants — in our judgment — but that they saw and were seen by millions.

Philip Dean wrote this for the London Observer—a most reliable newspaper—"The Indians with few exceptions went completely overboard. They adulated the Russians, turned out in crowds bigger than those that greet Mr. Nehru and refused to doubt the sincerity of the Russian leaders.

"Every anti-Western attack", goes on Philip Deane, "was played up in huge headlines and was echoed, analysed and backed up by editorial comment and background articles. Russian statements were taken completely at their face value; the assertion that the West were the aggressors was accepted, and Lenin's championing of anticolonialism was compared time and time again with Ganhi's teaching."

That is Mr. Deane's report. Do you hesitate to believe a newspaperman? Well, let me tell you of the Reverend N. N. Bennett, a graduate of McMaster who is a Baptist Missionary and who has been in or around Asia since 1929. Mr. Bennett was in India when the Russians were there and has written an article for the current print of the International Journal, published by the Canadian Institute of International Affairs. It is an article that should make your hair stand on end, and it concludes with these words: "In my opinion India has moved definitely further away from the no-communistic bloc in recent months. That she has moved into the communist bloc would be stoutly denied, but the effect is probably the same. Moscow has ceased to play around in India with a troublesome set of mischief makers calling themselves communist and has now changed her tactics to woo the nation as a nation. The result will probably be far more effective than anything yet applied."

There you have two men, one of the press and one of the cloth, looking at Asia through Asian eyes. Pay them some heed.

Mr. Pearson in one of his recent speeches said he wasn't sure that the revolution he saw going on in Asia and Southeast Asia wasn't even more important, historically, than what he saw in Russia. I have a few views on this myself, having been in Singapore during the Colombo Plan meeting.

Colombo Plan: I have before now belabored Canadian Clubs with my views on the feebleness of Canada's contribution to the Colombo Plan and of the inadequacy of the plan to meet its responsibility. And nothing I saw or heard in Asia or at the Colombo meeting makes me soften my charge.

Yes, I know, in December Canada announced an increase of eight million dollars a year. That announcement should have been made at the time of the meeting, in October, when its propaganda value would have been something. Indeed it should have been announced several years ago. But now that it has come, don't let anyone tell you we are now doing our bit. It means only that instead of the average Canadian giving $1.70 a year to stem the flow of communism in Southeast Asia he is now to give $2.20 a year.

I suppose I will have some argument on that. I will be told by the Finance Department or by some official apologists that Canada has given all she was asked for. I don't believe that; except insofar as our people have trained the Asians, who are subtle, in the unwisdom of asking for more than they know they are going to get.

In Singapore I talked with the leaders of most of the Asian delegations. Their stories were pretty much alike. Here is the way the leader of the Indian delegation put it. "The Colombo Plan achievements are very short of realities. We haven't long to wait in Asia to control discontent and preserve peace. The next five years is the most crucial period. We are in a position to absorb much more aid than has been granted."

Now if that seems to you only the view of one Indian let me tell you what was said in the small print of the annual report of the Colombo Plan committee. It told of some progress but added that "much more still has to be done and some of the tasks ahead will be even harder." The report warned of the rapid increase of population, perhaps by 10 millions a year, and declared per capita food consumption was not only below accepted nutrition standards *but below pre-war levels.* That is, in the fundamental of all fundamentals, eating, things are getting worse, not better.

Gentlemen, I cannot take the time to tell you of the conditions I have seen in some Asian countries. But if I *could* tell you I am sure you would wonder about that $2.20 you are going to give next year to the Colombo Plan—what is it, less than two-thirds of a cent a day? It is fantastically out of scale, whether you judge it as a compassionate grant or as defence against communism.

Yet the Colombo Plan is virtually all Canada is doing about Asia, the area Mr. Pearson says may be history's most important crucible at this time. The area which Sir Archibald Nye told us the other day was in precarious balance — an area he seemed to feel we were losing.

I don't relish saying what I am about to say, but I must say it. I have found that many Canadians seem almost to resent the poverty of Asian people. It embarrasses us, we look the other way if they beg, and say to ourselves that we can't stand beggars. But if they don't beg and instead seem to keep company with arrant nationalists or even Communists, then we call them fellow travellers and shut up our doors.

Some of you feel I exaggerate? I wish you had been in Australia and heard their Foreign Minister, just back from Southeast Asia, tell me of the way the Communists are flooding Asian book stalls with cheaply priced and very clever propaganda literature. I wish you had seen the Auckland Star devote *six* columns to the first of a series of stories from a newspaperman who had been in Southeast Asia for 10 years and who had concluded that in Asia we had won the war but lost the peace. I wish you could move overnight into the island of Java, the most crowded area in the world, and there, along Djakarta's streets and canal, decide whether you think communism could be a threat.

Do I bore you? And did I bore Canadians when I spoke in this same anxiety from Canadian Club platforms in 1950 after a trip to Asia. I said then that we were losing in Asia. Well, since then the vaunted world forces of UN have been held to a humiliating and unworkable stalemate in Korea, we've lost much of Indo-China, we've a most slippery hold on Malaya and Singapore, Japan is beginning to show signs of foment, Communist China has increased in power and stature and Formosa has become but an embarrassing and pathetic island; and in the important country of India neutralism has grown to the point where we foolishly and dangerously call it communism.

In the light of that last five years in Asia, I warn you, again, of the next.

And this is not just my say-so. Take a look, for instance, at the New York *Times* of February 2, a Tokyo despatch saying the Japanese Economic Planning Board had released a Japanese study made for it which said that the United States is losing the battle of economic aid to Southeast Asia and the Middle East; losing it, that is, to Russia.

It gave these reasons: Russia is offering easier terms and taking payment in surplus commodities; Moscow is not dictating how the money is to be spent nor linking its program to military commitments. Note: that report refers not merely to Japan but to Southeast Asia and the Middle East. A bleak report, a black report.

We may in our comfortable wisdom feel that Asian poverty is too big for solution. They don't. On Christmas Day Mr. Nehru in the course of a speech referred to the enthusiasm of drawing India's Second Five Year Plan. "What more exciting task", he asked, "could there be for any people than to plunge themselves in this huge wave, to co-operate with millions of people and to raise the level of these millions, to fight the curse of poverty?"

We here don't think much of five year plans, chiefly because God in his infinite kindness has made them seemingly unnecessary. We scoffed at the Russian plans, you'll remember. Yet they worked; yes, they worked; and India means to make hers work, either with or without our help.

Mr. Nehru says it is "exciting" to work at such a plan. Imagine Mr. St. Laurent or Mr. Drew or Mr. Howe publicly applying that word to some Canadian economic or budgetary operation. How our sophisticates would chortle if they did, how our public would yawn.

And yet,—(and I am completing the cycle)—I sense an excitment in Russia too. The people seemed to feel involved in something, something they were doing or making. Something was afoot. They may not have known —or even liked—all the directions or the plans but the dynamic of something was at work on them.

We may laugh at their naivete, at their zeal and their excitement. Caring less and less about more and more is becoming the banner of our individual freedom.

But in the meantime, gentlemen, the processes of history are being fiendishly, energetically and efficiently aided by the forces of communism. And the odds are against us. The time could come when even if we cared more it couldn't matter less.

“EDUCATION WEEK”

with

Students from Danforth Technical School
and
The Toronto Men Teachers’ Choir

Thursday, March 8th, 1956

CHAIRMAN: The President Dr. C. C. Goldring.

DR. C. C. GOLDRING: Sir Richard Livingstone, a well-known educator in England, wrote the following statement:

> “Education is to be a process in “soul-making” and those who educate must see life as a symphony and not as a series of disconnected noises—in it there enters forth the art of living and the business of earning a living. The child learns to be useful in relation to something that is beyond utility, to experience the living relation of being ‘a part to the whole’.”

If we accept this statement, it is evident that homes, churches, and community activities contribute considerably to the education of children as well as the schools, which carry out the formal programme. In a very real sense, education is everybody’s business and this is a slogan which is being used throughout Canada during Education Week which is now being observed.

At our meeting to-day, we have as special guests, many principals and teachers employed by the Toronto Board of Education and some from the Metropolitan Area. We welcome members of Boards of Education to-day, too, as well as educators from the Department of Education. We are particularly happy to welcome the ladies and hope that they will find our programme to be interesting.

In planning to-day's programme, we might have invited a speaker to discuss some topic on education, or arranged a debate on such a topic as "Why Can't Johnny Read?" or "Can Johnny Figure?", or "Does Johnny Write as well as His Dad?" But these are controversial issues in education and we want peace and harmony to prevail when we have our ladies with us. Accordingly, we are going to have two items on our programme. The first is a discussion by three boys from Danforth Technical School on the difficulties faced by the Arabs and the Israeli people. This is particularly appropriate as yesterday's press despatches stated that war between these two peoples seemed more probable than it had for a long time. In the short period of fifteen minutes, these boys will explain to us some of the reasons for conflict and distrust. Their discussion will also indicate that current events are taught in school.

In the second place, we shall be favoured by a musical programme for some twenty minutes by the Toronto Men Teachers' Choir. A group of some seventy teachers, this choir has been in existence for approximately fifteen years and has sung in Toronto, in many places in Ontario, and in many places in the United States. The director is Mr. Eldon Brethour, Director of Music for the Toronto Board of Education, and copies of the programme are on all tables. Before hearing the Choir, however, we shall hear the boys from Danforth Technical School and I have pleasure in calling upon Col. Harold Dean, O.B.E., Principal of that school, to introduce the three students.

Col. Dean then introduced three students of Danforth Technical School, who presented their material on "The Problem of the Middle East."

Following the discussion, the Toronto Men Teachers' Choir, under the direction of their distinguished conductor, Mr. Eldon Brethour, presented a programme of stirring songs which was very much enjoyed by the members.

Algimantas V. J. Priscepionka: During the past year the attention of the world has been focused upon the Middle East, for the powder-keg capable of scattering the horrors of war has moved its position to that region, threatening to explode at any moment.

In order to understand fully the events taking place presently in that area, we must have a knowledge of their causes and of what is being done to eliminate them—or promote them.

As an introduction, I should like to present a brief summary of the events which led to the existing conditions in the Middle East.

In 1917, Great Britain, which had been given a mandate over Palestine at the end of the First World War, issued the so called "Balfour Declaration", which promised the Jews a national homeland in Palestine to reward their work during the war. That particular location was inhabited by about 50,000 Jews and 1,000,000 Arabs. Soon after the "Balfour Declaration" Jews from many parts of the world began to flock to Palestine, a fact against which the Arab leaders protested. All three sides were displeased with the actions of the other two, and trouble began to brew.

At the end of the Second World War, the Jews received support from the victorious powers, who felt that it was necessary to provide a homeland for the survivors of European Jewry. The Arabs again protested against this plan and demanded complete independence for Palestine. Great Britain, feeling that she would be unable to gain control over the population again, requested the U.N. to intervene and declared that she would leave the country soon.

In 1947, "The United Nations Special Committee on Palestine" recommended the division of the country into a Jewish state and an Arab state, with Jerusalem coming under international control. The Jewish people accepted this plan while the Arabs did not. As the British troops left the country, open war began during which the combined armies of the Arab League were defeated. Thus the war ended—but only on paper.

The reasons for the existing hostilities 8 years after the creation of Israel will not cease simply because that is our desire. Any change in the state of affairs in the Middle

East must come from the peoples involved in the conflict, and so I shall introduce the next speaker, *Joe Werner* who will present the point of view of *Israel.*

Joe Werner—The Israeli Side of the Question: The republic of Israel came into being in 1948 by the declaration of the U.N. and at once was initiated into a war by the Arab nations. These 40,000,000 Arabs were defeated by a mere handful of 700,000 Jews only because justice was on our side and because we were defending land which was ours by right of heritage. This land was the barren strip which 4,000 years ago became the cradle of the Israelie culture and religion where, after the destruction of our nation, a group of Israelies remained among hostile neighbours (our invaders).

Recently the U.N. issued a declaration censoring Israel for its retaliatory attack on Syrian borderports and branding it as an aggressor. This report was used by the untiring Arab propaganda machinery to attack us again and further their claims that we indeed are aggressors and intruders in their land. We acknowledged the military attack, but insist that it was necessary to retaliate for the countless attacks by the Syrians on our innocent fishing vessels in The Sea of Galilee and to prevent any further recurrences of such incidents.

The word aggressor has been used time and time again against us, but would anyone with a sound mind think that a nation whose imports exceeds its exports in a ratio of 3 to 1 and who lives at the present moment on German reparations and gifts of World Jewry, whose economy is still in its infant stages would desire war which would be disastrous and would set back its life 50 years? This is sufficient proof of the falsity of the Arab propaganda and its unlikely insinuations.

The Arab-Israeli relations have been especially strained after the Soviet block expressed willingness to sell arms to the Arabs and armed Egypt. This Russian drive into the Middle East, besides being a direct threat to Israel, is a menace to the free world and is meant to increase Russian influence and political domination in the strategic area between Europe, Asia and Africa. It can only be countered by the sale of superior arms to the Israelies which unfortunately the western powers have failed to do. This is a grave error for only Israel is the true ally of democracy and freedom in that part of the world. This has been proved by the fact that Israel is the only country in the Middle East with a representative government.

If only the Arab nations would cease their hostility toward us and cooperate with us, we could bring, no doubt, a relief to the many social and economic problems confronting the Middle East today and could take together the road of prosperity and progress.

At the present moment it is an impossible task. The Arabs have shown their animosity towards us and are willing to scrap their desire to destroy our young nation and enslave its people. Their bellicosity has been expressed both in word and deed in spite of the fact that we have shown our desire to maintain peace and have acknowledged that to us, peace is more preferable even to victory in war. We need peace to grow, to build our prosperity and better our chances of survival, but as David Ben Gurbion said "We have come a long way without peace and we can go a long way without it."

Ian Leith—The Arab Side of the Question: I represent not only the Arab League, but 50,000,000 Moslems. We, therefore, are the voice of the Middle East. Since 1948 the Moslem peoples of the Middle East have been repeatedly called the cause of the crisis in that region. We have also been called aggressors and war mongers trying to destroy a new nation. This opinion seems to prevail over a large part of the western world, but, again we must assert that this is mere propaganda of our enemies. We, the Arab people, are simply trying to regain what belongs to us—land which has been taken away from us by the Zionist clique.

Nineteen centuries ago, the Jewish Nation was completely destroyed. The land which was theirs finally was passed to the Arabs. The Arabs populated this land for the next 1900 years—until 1948. Before that date, there was no such thing as the Jewish nationality. There was only a common religion. The nation had, in fact, disappeared from the face of the earth, but, recently, a small group of influential people decided to build a new nation. That was the beginning of the crisis in the Middle East.

Israel came into being by force of arms. They came as intruders. Intruders in a land populated by Arabs for 2,000 years. They forced 1,000,000 people to flee their homes and become refugees of war. These people were forced to live in the filth and squalor of tents and shacks. The homes of these refugees were taken over by Jewish immigrants. They declared openly that they had come to stay—stay in a land which was not theirs. These are the reasons why we do not, cannot, and will not recognize the state of Israel as such.

The land which the Israelies possess is hardly suitable for agriculture, a land lacking in natural resources and therefore unable to sustain a population without outside help. The population of Israel will increase with time. The land will not! This nation will be able to expand only at the expense of their neighbours, therefore, Israel is a potential aggressor. We must do everything in our power to prevent a repetition of 1948. The unfortunate refugees of 1948, still after eight years, have no hope of returning home. The imminent danger to the Arab people was made clear only recently when Mr. Ben-Gurion, the Premier of Israel stated that he is determined to strike out at the Arabs with all the means at his disposal if—what he termed, "the situation requires it."

In order to survive, the Arab people must have power to counter Jewish armed might. We are now criticized and condemned for purchasing arms from Czechoslovakia. Anyone would agree that it is only natural to purchase arms at the most acceptable price. We refused arms at the most acceptable price. We refused arms from the United States because a military pact was attached to them. Our desire is to pursue our aims according to the wishes of our people. We want to remain independent of any foreign interference in our affairs.

Israel has a plan to divert the waters of the Jordan for their own purposes. A statement was made only yesterday by the Arabs, "You divert the waters of the Jordan and we retaliate immediately". Israel consists of 840,000 acres of this, 790,000 are field and fodder, 33,300 for citrus fruit and 130,900 irrigated land. We must prevent Israel from expanding her frontiers. The time has come for the Arab people to awake and arise or be forever fallen.

Algimantas Priscepionka: *The Action taken by the United Nations*: In 1948, as a result of U.N. mediation efforts, a general armistice agreement was signed between Israel and Egypt, Jordan, Syria, and Lebanon. The U.N. Truce Supervision Organization, presently under the able leadership of Maj. Gen. E. L. Burns of Canada, observes the maintenance of the ceasefire and acts as an observer for the U.N.

Recently it has been suggested that an international military force be sent to the Middle East in order to prevent the border clashes occurring repeatedly between Israel and her neighbours. Although this suggestion has been hailed as a means of helping to ease the tension, people studying the problem attach little practical value to it, for it would be quite impossible to keep watch over more than 600 miles of frontier and moreover, any violation of the truce would be attributed to the inefficiency of the international force and the seriousness of the matter would be lost in the following oratorical arguments. Even if this suggestion was workable, it is doubtful whether it would be acceptable to the countries of the Middle East. This or any other plan which would impose economic sanctions, or change of frontiers, or anything else which would not please both sides of the contestants, would be a return to the old-fashioned imperialism which would not be excused by many people of the present generation, and could have unfortunate consequences. It is doubtful whether the end to this conflict could be found in the capitals of the East or the West.

The problem of the Middle East is mainly an emotional one. In trying to understand it we must realize that human emotion and instinct is more powerful than reason and that a change of frontiers or economic support will not eliminate that which has been imbeded in the minds and hearts of men for many centuries. The only solution to the problem of Israel and her neighbours — if there is a solution — must come only, and only, from the people themselves. It is a psychological problem and to solve it people must erase from their minds opinions and thoughts which began to evolve generations ago. They must learn to suppress their emotions and admit that no one can ignore the facts of our life and the unwritten laws of justice. I should like to quote Mr. Byroade, the U.S. ambassador to Egypt, who said to the Israelies:

"You should come to look upon yourselves as a Middle Eastern state rather than as a nucleus of peoples of a particular faith. You should drop the attitude of the conqueror and the conviction that a policy of force is the only policy which your neighbours will understand."

To the Arabs Mr. Byroade said, "You should accept this state of Israel as an accomplished fact. You are attempting to maintain a state of affairs suspended between war and peace, while at the present desiring neither".

If these and similar words could attract the imagination of the leaders of the countries in conflict, cooperation could be achieved, and only the full cooperation of all the peoples and all the governments involved, can solve the problems facing us today and can bring peace and prosperity, which every human being desires.

"A TOURIST'S VIEW OF IRELAND"

An Address by

PROFESSOR MARCUS LONG
Associate Professor of Philosophy

Thursday, March 15th, 1956

CHAIRMAN: The President, Dr. C. C. Goldring.

DR. C. C. GOLDRING: Our guest to-day has excelled in many fields. He is a professor, a scholar, a speaker, a leader of students, an author, and a participant on television programmes.

Professor Marcus Long was born in Ireland and came to Canada in the year 1925, later graduating from the University of Toronto. He taught in Brandon and Winnipeg before joining the staff of the University of Toronto in 1945. He is at present Associate Professor of Philosophy. During World War II, he saw Overseas Service in England and Italy, with the Canadian Army in the Department of Personnel Selection. As Chairman of the International Students' Service he organized and directed student seminars in Europe in 1948 and 1949. A few years ago he published a book entitled, "The Spirit of Philosophy". For some two years he was a news analyst on radio and since 1952 has been active in television programmes. Most of us have seen him on one or more of the programmes "Exploring Minds", "Fighting Words", or "This Week".

For our St. Patrick's meeting the Empire Club of Canada is happy to welcome a native son of Ireland who has had a distinguished career in Canada. Professor Long will address us on the topic, "A Tourist's View of Ireland".

DR. LONG: It is indeed a great pleasure to see so many people anxious to learn about Ireland. It is surely not improper for me to hazard a guess about their reasons for being here.

Some will be here because Irish blood or Irish whiskey flows in their veins. I suspect it is Irish blood rather than whiskey because it is the sad fate of Ireland that its children have a wider circulation than its products. Wherever the Irish have gone they have never allowed differences of race, nationality, religion or language to interfere with their love life. There are few civilized people in North America without a sweetening of Irish blood.

Undoubtedly some are here from other countries who would like to tip their hat in acknowledgement of the debt they owe the little island. It was the island of Saints and Scholars that preserved Christian Civilization in Europe after the fall of the Roman Empire. The German scholar, Zimmer, has described the Irish teachers and missionaries who went everywhere throughout the known world in the Dark Ages as "the possessors and bearers of a higher culture than was to be found anywhere on the continent" and as men who established "the corner-stone of Western culture." It is fitting that European, English, Scots and Welsh should acknowledge their indebterness; particularly the Scots, who were brought out of barbarian darkness by the teachings of St. Columba. I emphasize the Scots because, after the Irish, they are my favourite people. I assume they are here to thank the Irish for giving them Christianity and the Gaelic language. It is only proper, therefore, that I should offer a public apology to them for the Irish salesman who persuaded them to take the bagpipes.

Others will have come to find out why it is that a people who seem to have so little respect for law and government at home inevitably drift into politics or the police-force in North America. I am not sure of the full answer but I think part of it can be found in the natural simplicity and innocence of the Irish. This is shown in the choice of green as their national colour. All Irishmen are green, particularly when they first arrive in this country. That was certainly true of myself. Shortly after coming to Toronto I paid a visit to Niagara Falls. This, I must remind you, was long before I had lost my Irish accent. On that particular day the water below the Falls was a brilliant green so I asked a nearby policeman for an explanation. "Shure and begorra", he replied, "I guess it has just come over."

Ireland is a very small country, 32,000 square miles in area. About the size of Lake Superior. The longest stretch from north to south is about 300 miles and from east to west about 170. Within that limited area there is a variety of scenery that is unequalled anywhere in the world.

The tourist may stand on the edge of the towering cliffs which protect the island from the batterings of the Atlantic and listen to the frustrated rage of the breaking waves or the moaning minor chords of the howling winds, and feel the tang of salt on his lips. He can then turn from the cliffs, and their eternal battle, to the soft green pasture lands that have given to Ireland the title, the Emerald Isle.

It doesn't matter what you want in the way of scenery; Ireland has it. The rugged coastland of Kerry whose waters are still virgin territory for the fisherman, the soft pasture lands of Meath, the wilderness of Connemara "where the boglands sweep to mountains and mountains tumble down among rocks into a welter of foaming sea", the gentle sweeps of the Glens of Antrm, the unsurpassable beauty of the Lakes of Killarney.

In Canada the Creator had space and took advantage of the distances to work with the strong strokes of a large brush. In the limited space of Ireland He had to work with the skill of the miniature artist and every honest tourist will admit His success.

Besides the mountain, the lake, the river, the bog and the pasture the tourist will find the Irish people. Here he is likely to get a surprise. Nowhere in Ireland will he find a typical Irishman, the Irishman of literature, stage, joke or cartoon. What is more, he will nowhere find an average Irishman for the Irish people are as different as the regions in which they live. If the tourist starts in Belfast he will form a picture of an Irishman which will be quickly changed when he meets a man of the Aran islands or Galway and the picture he builds there will be of little help when he meets the man of Cork and Dublin. The only things he will find in common are a love of Ireland, generous hospitality, and a devotion to religion.

The Irish love their country, welcome the stranger and cherish their religious traditions. The Irish Catholics are, in the well-known saying, more Catholic than the Pope. The Protestants have a higher percentage of Fundamentalists or theological conservatives than in any other country in the world. Of course there are some heretics also but it is little wonder that so many of the leaders of the religious establishments in North America have their roots in Ireland.

Perhaps it is because of their attachment to religious institutions that the customs of the Irish tend to linger so long. They have a variety of customs which may strike the tourist as strange but are as natural to them as breathing. Each region has its own customs and no illustration can be considered typical. I remember particularly the 'Wake' in County Derry.

I remember when an uncle of mine died going with my family to the Wake. Although I was still only a boy I was set with the men in the kitchen. After the men pulled their chairs up in front of the large turf fire they began the standard ritual. A bottle of whiskey purchased by the widow passed quickly from hand to hand. The man at the end of the row took a plug of tobacco, cut off enough to fill a clay-pipe, lit it, took a few puffs and passed it to his neighbour. When the bottle of whiskey and the clay-pipe had gone around they were ready for their yarns. My spine still tingles at the ghost-stories in which each tried to better the other, and all succeeded.

The tourist will also find in Ireland some of the most beautiful girls in the world, girls whose cheeks are so gently kissed by nature their complexions need no artificial assistance. He will find beautiful girls—he will also find the highest percentage of bachelors. That is a paradox which needs an explanation.

I should not want you to think it is due to any lack of virility or sense of romance on the part of the Irishman. The Irishman is a lover at heart and in fact. The long delay before marriage is due to economic conditions.

Ireland is an agricultural country and most of its people are brought up in humble circumstances. The eldest child usually gets first chance at what property there is; the others often must fend for themselves. It is little wonder that in a country where marriage is expected to produce children it is important to wait for a measure of financial independence. While that is not the only reason it is one of the main reasons why the average man waits until he is 35 and the average girl until 29 before getting married.

The economic situation in Ireland is at the root of most of her difficulties. It is far from satisfactory, optimistic statements from the governments notwithstanding. You will notice I said "governments" in order to remind you that Ireland is a divided country with two parliaments. I begin with Southern Ireland, or, as it is called, The Republic of Ireland.

When the parliament of Southern Ireland was established the government determined to make the country so independent and self-sufficient the flow of Irish people from Ireland would be stopped. Different policies have been tried in an effort to increase the number of jobs at home. They have not been too successful. One thinks of the cynical view that Irish economic conditions alternate between being hopeless but not serious and being serious but not hopeless.

Ireland is basically an agricultural country. Agricultural products constitute about 75% of her exports. According to Mr. Lynch of University College, Dublin, agricultural production is static, no real increase having been made in 25 years.

Attempts to increase the working force by setting up industries have not been too successful. Although new industries have been established the jobs created have scarcely kept pace with the withdrawal from the farms. From 1926 to 1951 the non-agricultural labour force increased by 159,000 persons but since the agricultural labour force declined by 147,000 in the same period there were only 12,000 more persons employed in 1951 than were employed in 1926. This is obviously no way to stop the flow of Irishmen to other countries, looking for work.

The situation appears to be somewhat better in Northern Ireland. Here, since the Parliament is integrated with the

Parliament of the United Kingdom, there is no possibility of adopting protective measures such as high tariffs. The Government therefore has adopted a policy of assisting, through grants or loans, the establishment of new industries or the modernization of machinery. In January, 1955 Lord Glentoran stated that 230 projects had received assistance and these projects had created jobs for 32,000 workers and would likely create more. One should always take optimistic statements by politicians with a grain of salt but the policy of establishing a diversity of industries promises more for the people of Northern Ireland than did their former concentration on ship building and linen. Unfortunately the number of unemployed is still about 5.5% of the working force.

None of the efforts to keep the Irish in Ireland have succeeded. Today there are 30 million Irish people scattered throughout the world, about half of them in the United States and Canada. I daresay it would be possible to find a number of Irish names on the guest-books of Sing-Sing and Kingston penitentiary. I prefer to speak of those whose names are associated with worthier causes.

It is said that eleven Presidents of the United States had Irish blood in their veins. John Adams and Andrew Jackson, who helped to consolidate the revolt against England and assure the continuance of the United States, were Ulster Presbyterians. And in the field of Government our own Prime Minister, Mr. St. Laurent, undoubtedly got his political wisdom from his Irish mother.

The Irish have contributed much. Where would the British armies have been without an Alexander or a Montgomery, to name but two of a large and distinguished group which includes men like Sir Gerald Templer and the Duke of Wellington. Time will not permit mentioning the many Irishmen who as leaders have contributed so much to the political, religious, business and cultural life of Canada. The number is too large.

The Irish have contributed most to the world in the field of literature. There seems to be something in the atmosphere of Ireland that stirs the poetry of the soul. Even the humblest peasant speaks in a language enriched by his contact with nature and the difficulties of life.

This tradition goes back a long way. One thinks of men like Dean Swift whose lively imagination and bitter pen produced classics in the English Language. It has poured over into Journalism. The father of journalism in England was Sir Richard Steele, born in Dublin. The influential magazine "Fraser's" was established by William Maginn from Cork. Writers like Thackeray and Carlyle were regular contributors.

Everyone knows the greatness of the London Times but not too many know it was started on its way to greatness by an Irish editor, John Delane. Of course he had an advantage; his father was the financial manager of the paper. That may account for the fact he became the editor at the age of 23 and remained in charge for 36 years.

If you go to St. Paul's in London, you will find a bust with the inscription "William Howard Russell. 1821-1907-First and greatest of war correspondents", and this you will take as a tribute to a man from Limerick whom the Times itself described as "the most famous reporter who ever served the Times."

And then there was Dublin-born Alfred Harmsworth, better known as Lord Northcliffe, publisher of the well-known Daily Mirror and the Times. He was persuaded to take the plunge into journalism by a man named Jones, from Co. Antrim.

Journalism is one of the lesser literary arts. In the field of poetry Ireland has produced the sweet rhymes of Thomas Moore, known to Canadians as the author of the *Canadian Boat Song* which many still consider the best of Canadian song and on the other hand Ireland has given us the captivating naturalism of W. B. Yeats. In drama we have such writers as George Bernard Shaw, Sean O'Casey, Lady Gregory and Synge. In the novel men like James Joyce and O'Flaherty. There are many others, like Sean O'Faolain, who have succeeded in different literary fields.

It is important to mention Sean O'Faolain since he is, to the best of my knowledge, the only Irish writer who can make a decent living from writing in Ireland. Here I strike a note of controversy.

The Roman Catholic church has a deep concern for the moral standards of its people which can be expressed in a country like Ireland with great authority. As a result, censorship is more potent in Ireland than it is with us. It is true that the censorship is directed against indecent literature but the word "indecent" is so elastic it tends to include much magnificent and useful writing. For this, among other reasons, many Irish authors have had to leave Ireland and some of the greatest works of Irish writers cannot be read by the Irish people.

When I made this statement a few years ago at the St. Patrick's Protestant Benevolent Society in Toronto a number of Irishmen poured wrath on my head for a slander which they said was untrue. Unfortunately for the case of my attackers the week I made the charges Life magazine published an article by Sean O'Faolain giving a detailed list of the names of distinguished authors some of whose works are banned from Ireland by the censors. No satisfactory rebuttal has ever been made for the simple reason that no rebuttal can be made.

Ireland ought to be an example to us. There is a growing movement in favour of censorship against socalled indecent and offensive literature in Canada which may soon leave us without anything to read. If some people get their way in Canada we may have to burn all the great Classics, including the Bible; our reading will be limited to sentimental nonsense. There will be no place for great creative writing. That is another story.

Fortunately the great Irish writers have not bowed to the narrow strictures of the censors. They have, in spite of them, made valuable contributions to literature. It is unfortunate they could not all have created them in Ireland and that some of the works of the greatest Irish writers should not be available to the Irish people.

I have spoken throughout of the Irish people as if the country were one and the loyalties of its people undivided. I cannot continue to leave that impression. The tourist will find that Ireland, small as it is, is a divided country. If the tourist starts from Dublin to visit Belfast he will have to open his bags for customs inspection and show his passport to Immigration officers. The border is a very real fact, if a weird one; it follows no natural geographic divisions. As Mr. Colin Welch described it in the Daily Telegraph "It cuts farms, villages, streets, pubs and even people in half; a man may sleep with his head in the commonwealth and his feet outside." Yet this strange border reflects a very real difference in the religious and political view of the people of Ireland.

In order to understand it, it is necessary to remember that Ireland has often been conquered but has always managed to absorb the conqueror into her national culture. The Danes, who founded such cities as Dublin, have long since ceased to be a distinguishable part of the population. The same is true of the Normans who brought Ireland under the English crown in the twelfth century. It is also true of the English and Scottish settlers brought to Ireland by Cromwell. They have long since forgotten the countries of their origin; the man of Belfast is as much a part of Ireland and as proud of it as the man of Cork. The socalled Plantation settlers gave up their heritage, as did the Danes and Normans, to become Irishmen. The only thing the Scots refused to give up was their Protestant faith. That is why, in a population of a little over 4 million, one million are Protestants. These are almost all located in Northern Ireland. The number of protestants in Southern Ireland has dropped in the past few years and is now only about 160,000.

The Irish Catholic suffered very severely over hundreds of years from the same sort of unenlightened English policy that led to the loss of the American colonies. They have bitter and justified memories of persecution and suppression in the past. They want, therefore, to be freed from British rule in an independent Ireland. They fought bitterly for the privilege of self-government and were given the right to set themselves up as a separate country in 1920.

The protestants of Northern Ireland, however, do not want to be separated from the United Kingdom and the Commonwealth. They do not want to be placed, as a religious minority, in a country predominantly Roman Catholic. In 1914, under the leadership of Sir Edward Carson, they threatened to take up arms against the British government to prevent Irish Home Rule. This is one of the very few instances in history where a group of people prepared to fight a government to secure the right of remaining loyal to it.

The people of Northern Ireland are an integral part of the United Kingdom although they have a government of their own. Propagandists for the Republic call this British domination. Actually, the relation between the Government of Northern Ireland and of the United Kingdom is similar to the relation in Canada between a provincial and the federal Government, with a similar division of powers.

The people of Southern Ireland consider it morally and economically wrong that Ireland should be divided. They would like to see an end to partition. Their strongest argument is that 1/3 of the population of Northern Ireland is Roman Catholic in religion and nationalist in sentiment, and is in Northern Ireland without wishing to be because of the decision to include six of the nine counties of Ulster in this separated section of the country. They charge that the Government of Northern Ireland has gerrymandered the electoral divisions in order to ensure a Unionist majority in the parliament of Northern Ireland. They claim the Roman Catholic minority is being persecuted.

It should be remembered, in discussing the placing of Nationalists in N. Ireland, that the British Government had to provide sufficient farmland for industrial Belfast to make a balanced economy possible and that this division was accepted by the Govermnent of the Free State in 1925. The Government of N. Ireland denies the charges of religious persecution, denies any widespread gerrymandering and justifies what there is by pointing out that gerrymandering is a common practice in all democratic States. North Americans are familiar with a technique which helps to ensure the party in power of a continued lease of life.

Whatever the merits or demerits of the arguments on either side there is little chance for a United Ireland in the foreseeable future. The Roman Catholic minority which if it increased its numbers could, by its votes, swing Northern Ireland into the Republic has remained constant at 1/3 of the population for a number of years. There is no reason to expect a change. On the other side there is no chance that the Protestants will voluntarily wtihdraw from the United Kingdom and the British Commonwealth or submit to a government whose close adherence to Catholic teaching on social problems would likely deprive them of many social measures they consider proper and now enjoy.

This is but a limited statement of the case. There is much more to say on both sides. I have tried to present the fundamental arguments of both parties for your information as objectively as a person who has strong convictions on one side of the argument can do.

There is but one moral I should like to draw from the story I have been telling. Keep religion out of politics in Canada for the mixture of the two is a dangerous and tragic thing.

That then is the story of Ireland so far as time has permitted me to tell it. It is a picture of what the tourist may expect to find. It is a story which, although it has its sad moments, is about a country of unexcelled beauty and of a people, gracious, witty, devout, who unfortunately live under the curse of a bitter memory or the fear of domination by majorities which could rob them of their fundamental rights. It is the story of a people who have turned their tragedies into opportunities and spun out of their difficulties a beautiful literature and an unquestioning faith. It is the story of a people driven by poverty or love of adventure from their own land who have never failed to identify themselves with the countries of their adoption.

It is a story which I hope may entice some of you to visit the Emerald Isle. It is not that the Irish are mecenary but a few Canadian dollars would look good to people who live so close to the fringe of economic trouble. I can assure you that wherever you go, from Derry to Dublin from Antrim to Kerry, you will be welcomed with open arms and that you, like all other tourists, will carry away with you a haunting memory of a land and a people from which you will never want to escape.

"CANADA AND NATO"

An Address by

MAJOR-GENERAL J. D. B. SMITH, C.B.E., D.S.O., C.D.

Commandant of the National Defence College of Canada

Thursday, March 22nd, 1956

CHAIRMAN: Dr. C. C. Goldring, President.

DR. GOLDRING: Three months ago, the representatives of the fifteen member governments of NATO met in Paris, and at the conclusion of their work, the council declared that the North Atlantic Treaty Organization remains the essential foundation of the security of the fifteen associated nations. The following is an extract from the Monthly Bulletin of the Department of External Affairs, referring to this conference:

> "There was a general awareness that the Soviet leaders were exploiting in their current diplomatic offensive all situations that could give rise to difficulties for the members of NATO in an attempt to break up the unity of the Alliance. There was unanimous agreement that greater unity is the only possible answer to these tactics. The exchange of views on the international situation gave further evidence that NATO is becoming increasingly important as a forum in which members hear each others views and, where possible, try to achieve an agreed approach to outstanding international issues."

It is important for Canadians to know more and more about NATO, its objectives, and its accomplishments.

The Empire Club of Canada is fortunate in having as its guest speaker to-day, a gentleman well qualified to talk on this subject. Major-General Smith joined the Canadian

Army nearly twenty-three years ago. During World War II he served in England, Italy, and in Northwest Europe, and at various times he commanded the Fourth Canadian Armoured Brigade, the Fifth Canadian Armoured Brigade, the First Canadian Corps and the First Canadian Infantry Brigade. Since the conclusion of World War II, he has served in various capacities, among them being as Commandant of the Royal Military College, Kingston, as a member of the General Staff Branch, Army Headquarters, Ottawa, as Chairman of the Canadian Joint Staff, London, and as Military Advisor to the permanent Canadian representative to the North Atlantic Treaty Council. At present, General Smith is Commandant of the National Defence College of Canada.

On behalf of the Empire Club of Canada, I extend a warm welcome to Major-General J. D. B. Smith, C.B.E., D.S.O., C.D., who will address us on the subject "Canada and NATO".

MAJOR-GENERAL SMITH: Dr. Goldring, My Lord Bishop, Your Lordship and Members of the Empire Club of Canada: It is indeed a very real and a great privilege for me to be here today. I indeed welcome this opportunity of coming here today and speaking to you for a short time on "Canada and NATO".

In the time that is available what I would like to do, if I may, is to give you some of the highlights of the historical background leading up to NATO because I think it is important that we should know the reasons, the basic reasons, behind NATO and some of the motivating international actions which brought about its organization.

You will probably recall that in 1945, when the nations of the world met at San Francisco there was great hope that throughout the world we would set a new pattern which would ensure continuing peace and security and which would provide freedom from fear, freedom from want and freedom to live as sovereign nations.

But you also remember that even while we were meeting in San Francisco, the Soviets showed their first intention of not wanting or desiring to live with the West.

That took place when the sixteen members of the Lublin Government who had been living in exile in London journeyed to Moscow to discuss with the Soviet Government ways and means by which the legitimate Polish Government could be returned to Warsaw. You know the sad story of the events. On arrival in Moscow the sixteen members of the Polish Government were immediately placed in prison and despite the entreaties and pleas made by the leaders of the West, nothing more was heard of them.

Within months of that incident we had in our own country the Igor Gouzenko defection and when that story broke, Canadians immediately became aware of the fact that our so-called Allies had been plotting against and spying on the nations with whom they were supposedly working to bring about a final victory in Europe.

During the two following years every action that took place in the United Nations to bring disarmament, to set up an international police force by which aggression could be checked anywhere that it might break out, in fact every attempt to reduce friction between the West and the East was nullified by the veto of the Soviet Union in the Security Council.

In 1947, with the economic conditions in Europe at their lowest, you will recall that the United States made what I am sure in history will be recorded as one of the most magnanimous and munificent gestures, a proposal to rehabilitate the countries of Europe through the Marshall Aid Plan. That Plan was not limited to West Europe. Indeed it was offered to all countries suffering from the chaos and destruction of war and was open to those countries behind the Iron Curtain.

There again we saw evidence of the Soviet wishes and desires when Czechoslovakia and Poland, who asked to participate in the Marshall Plan, were forced to withdraw through Russian pressure. You also remember the Paris Meeting on the Marshall Aid Plan, when Mr. Molotov left the meeting suddenly without any cause or reason. This action was clarified, however, a few weeks later when Stalin decried the Marshall Plan as further evidence of American Dollar Imperialism.

The Peace Treaties of 1947 which were signed with Bulgaria, Hungary and Roumania, meant nothing insofar as the Soviet Union was concerned, for scarcely had the treaties been signed when the Soviet Union immediately began to rearm these three countries, despite the fact that the USSR alone had a standing army of some fourteen and a half million troops at the time, whereas the United States, the United Kingdom and all other allied forces had demobilized as quickly as possible, Russia not only retained her armed strength on the ground but saw fit to rearm these countries which had come under her control as satellites.

On the 22nd of February 1948, the last light of freedom in Central Europe was extinguished when a Communist minority in Czechoslovakia, by coup d'etat, gained power. Czechoslovakia ceased to be a democracy and joined the group of hapless Soviet satellites.

It became obvious that unless some form of alliance could be brought about, one by one the countries of Western Europe by threat, by coercion or even by aggression, could be brought under the heel of Soviet domination.

To this end, the United Kingdom and France met with Holland, Belgium and Luxemburg and on the 17th of March, 1948 the Brussels Treaty Organization was formed in the hope that these five countries would be able to provide forces sufficient to deter aggression and maintain the security of their territorial boundaries.

But, as as you know, and as Lord Ismay has put it so nicely in his book, scarcely had the ink on the Brussels Treaty dried when the Berlin Blockade began. For the next 323 days Russia tested the West to see whether or not we would maintain our position vis-a-vis Berlin.

Meanwhile throughout the World, Soviet aggression was moving rapidly to make inroads on the war weakened countries. In Greece, Communist guerillas equipped and supplied by Moscow through Bulgaria were attempting to seize power. In Turkey, by way of intimidation, Russia attempted to gain entry into the Mediterranean. In Iran, Russia endeavoured to retain the northern part of the country which she had occupied as an ally during the war.

In Korea one only has to think back to the situation that developed in that part of the world as a result of Russian support and Russian endeavours during the period concerning which I am speaking. Again, in Indo-China and Malaya communist imperialism was an increasing threat to peace and security.

It was quite obvious to the Western World that an alliance far greater than the Brussels Treaty and one far stronger, was required if the countries of Western Europe were not to succumb, one by one, to Soviet aggression. Such an alliance, obviously, must have as a member the United States of America. On the 11th of June 1948, one of the most important items of legislation in American history was passed by the U.S. Senate. It was listed as Resolution 239 and was sponsored by Senator Connally and by Senator Vandenberg, after whom it was popularly referred to as the Vandenberg Resolution. By this resolution the United States of America for the first time in its history, was authorized to plan for participation in area defence outside continental U.S.A. Immediately following the adoption of the Vandenberg Resolution, representatives of Canada and the United States met with representatives from the Brussels Treaty Powers in Washington, and there commenced to organize and to plan the NATO Treaty, as we know it today.

Throughout the Autumn of 1948 and the winter of 1949, work on these plans continued and finally, on the 4th of April 1949, twelve nations met in Washington and signed the North Atlantic Treaty.

In the Autumn of 1951 at a NATO Council Meeting in Ottawa, Greece and Turkey were invited to join and they acceded to the Treaty the following spring.

You will recall between 1952 and 1955 a great amount of discussion and negotiation took place in Europe concerning the position of Germany. The European Defence Community, which had been proposed as the most acceptable arrangement, underwent many changes to meet the requirements of all powers concerned. When it was finally rejected by France in September of 1954, Sir Anthony Eden made his historic whirlwind tour through the Capitals of Europe and brought about through his efforts the London Agreements which resulted in the organization of Western European Union. Through this and other related agreements Germany was granted her sovereignty and on the 5th of May last year acceded to the North Atlantic Treaty.

That, gentlemen, is a very brief picture to bring you up to date on the background of NATO.

This alliance is different from the classic alliances of the past in many ways. There was no question of developing power blocs by the founding nations. Nor was there any question of seeking territorial gains. This Treaty was brought about, as I have tried to indicate to you, through sheer necessity, to ensure the territorial integrity of the nations concerned. It was, and still is, a Treaty with no aggressive purpose whatsoever, and exists solely for the defence of the NATO countries.

Now, what is NATO? The most intriguing definition of NATO is one which Lord Ismay gives. He says, "perhaps this is the most constructive experiment in international relations that has ever been attempted". In practical terms, NATO is an alliance of fifteen sovereign nations, each of equal voice and status working together to produce those forces which are necessary to ensure the security of the NATO Area.

The hard core of NATO lies in Article 5, and this Article states that an attack on any NATO country is considered an attack on all and if such attack takes place each party will forthwith in concert with the other parties, take such action as is deemed necessary in order to restore and to maintain the security of the Area.

Gentlemen, there is certainly nothing aggressive in that Article and that is the basis of the Treaty. But that is a promise and in a world such as the one in which we live today, promises must be backed up by something a little stronger than the written word. So, Article 3 provides that each country, separately and jointly, by means of continuous and effective self-help and mutual aid will maintain and develop, not only their individual forces, but their collective forces, in order to resist armed attack.

Another interesting aspect which develops out of these two Articles lies in the fact that if the nations provide forces for collective security, these forces must be controlled by some form of unified command. I think again NATO is unique in this respect for to my knowledge this is the only Alliance in which in peace time sovereign nations have placed their forces under the operational control of an Allied Command.

In NATO we have two principal Supreme Commanders. We have the Supreme Allied Commander in Europe and we have the Supreme Allied Commander Atlantic. We have another Supreme Commander who is concerned with the protection of the English Channel Area, but SACEUR and SACLANT as they are familiarly known, are the two principal Commanders. Under these Commanders, the countries of NATO have placed their assigned armed forces to these Commanders has been given the responsibility of defending the NATO area against aggression..

In terms of quantity, NATO represents 450 million people. The Organization of NATO is charged with the problem of ensuring the security of these peoples. These peoples have seen fit to spend in excess of $64,000,000,000 in order to provide the forces necessary to carry out this task.

I am not going to speak on the relative strength of our forces vis-a-vis the Russians, because only a week ago General Gruenther made that information available in Ottawa, and I am sure you have all read it. But I think for our purposes today it is sufficient to say that the development in the NATO forces since 1951 has been amazing and almost unbelievable, to the extent, as General Gruenther has put it, that in three or four years' time, when the German forces become effective, if all goes well, should aggression break out in Europe, and I quote General Gruenther, we shall be able to defeat it.

Now that, Gentlemen, gives you very briefly and quickly, an idea of what happened between 1949 and 1955. You can see that the peoples of the NATO countries have supported this Organization to the point where today our Supreme Allied Commander in Europe is able to make that statement.

I come now to Canada's participation in NATO. I am always pleased to be able to say that one of the first voices raised at the United Nations in favour of a collective

Alliance, such as NATO, was that of our own Prime Minister who, when as Secretary of State for External Affairs in 1947, pointed out that there was rapidly developing a time when democratic and peace-loving States would be willing to accept more specific international obligations in return for a greater measure of national security.

You can understand the frustration that must have developed in those immediate post-war years in the United Nations, when every effort to bring about conditions where aggression could not survive was nullified by the Soviet veto.

It was in this frustrating atmosphere of Soviet intransigeance that Mr. St. Laurent first made the suggestion that an Alliance of the type of NATO was certainly required.

Again, in 1948 our senior government officials and Service Officers helped in developing the format of the Treaty, assisted in developing the defence organization for the various Commands and worked continuously with the United States, the United Kingdom and the other NATO representatives in bringing to the Council in Washington on the 4th of April, the final Treaty in the form in which it was signed.

One interesting point on the Canadian side is that when the Treaty was brought before the House of Commons for ratification on the 20th of April 1949, it was, I believe, one of the few occasions in Canada's history when a unanimous vote was made in Parliament.

On those three points alone, the sincerity of the Canadian people regarding NATO was quite evident. But since that time our sincerity has shown up in much more tangible ways. Since 1950 our country has seen fit to devote approximately fifty per cent of our national Budget each year in support of NATO. This very large expenditure has been made to meet the costs of providing the necessary defence for the Canada-U.S. region, which is a North Atlantic Treaty Region. It has enabled us also to provide in Europe an Air Division and an Infantry Brigade group. I might say that the morale effect of those two formations in Europe is out of all proportion to their size.

In addition, this defence expenditure has enabled

Canada to provide through the mutual aid of which I spoke earlier, a sum approximating 1,100 million dollars. This can be broken down into equipment of all kinds which have gone to the other NATO countries . . . . ships, mine sweepers, jet aircraft, all nature of vehicles, ammunition, armaments, and the like. In addition, this aid has also included an Air Crew Training Scheme which has been of tremendous value to the countries of Europe who are only now able to build up the special facilities required for this type of training.

I think we can be justifiably proud of the efforts which we in Canada have made, but I would like to talk to you for just one moment on the future, because I do believe that, successful as we have been to date, we must look toward the future, particularly at this time when so much is being talked of by way of relaxation of tensions, the willingness of the Russians to work with the West, Treaties of Friendship, and the like.

If I may, I would like to quote to you what Mr. Khrushchev said at the last meeting of the Soviet Communist Party last month. This is what he said:

"The principle of peaceful coexistence is gaining increasingly wide international recognition and this is logical, since there is no other way out in the present situation. Indeed, there are only two ways—either peaceful coexistence or the most devestating war in history. There is no alternative."

Well, now, what does peaceful coexistence mean? I think we in the West could define it something along these lines: That the East and the West would live side by side, developing their economies in their own individual ways, and while not necessarily admiring or condoning the methods of the other, at least existing without the fear or the threat of our own system being undermined or destroyed by the other.

And, Gentlemen, with the so-called willingness of the Russians recently, and their many manifestations of friendship, without careful analysis we in the West could be lulled into a false understanding of the real meaning which the Soviets attach to peaceful coexistence.

But if there were any doubts in the West that perhaps peaceful coexistence which Khrushchev produces is in fact a real and a genuine effort to establish conditions in which Democracy and Communism can live side by side, let me quote from a speech which the same gentleman gave to an Eastern German delegation last September when they visited in Moscow. This is what he said on that day:

"We always tell the truth to our friends as well as to our enemies. We are in favour of the relaxation of tension but if anybody thinks that for this reason we shall forget about Marx, Engels and Lenin, he is mistaken. This will happen when shrimps learn to whistle. We are for coexistence because there is in the world a Capitalist and a Socialist system but we shall always adhere to the building of Socialism."

Let us go back to one of these distinguished gentlemen to whom Mr. Khrushchev referred. This is what Mr. Lenin said in 1920 on the subject of coexistence:

"We are living not merely in a state but in a system of states, and the existence of the Soviet Republics, side by side with Imperialist States for a long time is unthinkable. One or other must triumph in the end, and before that end supervenes a series of frightful collisions between the Soviet Republics and the bourgeois States will be inevitable." Mark you, Mr. Khrushchev is saying last September that anyone who thinks we shall forget Lenin is badly mistaken.

Marx, to whom he also refers, and who wrote the bible of Communism, has this to say about Democracy. He says, "The democratic concept of man is false because it is Christian. The democratic concept holds that each man has a value as a sovereign being. This is an illusion and a dream." So you see, Gentlemen, so long as Soviet Communism is directed at the overthrow and the destruction of Democracy there can be no real coexistence, let alone peaceful coexistence.

To the Soviets, peaceful coexistence is just a facade whose pleasant proportions they hope will be so appealing as to distract us from examining the basic structure. "We want peace," says Mr. Khrushchev," because we can win the conflict between the two Systems, yours and ours, without war." And it is in this area of peaceful activity that they are now bending their every effort toward their final goal of World Communism.

On the political side I would just like to run over some of the approaches that are being made by the Soviets. They are utilizing every opportunity to castigate the Western Alliances, such as NATO, as aggressive and war-mongering. They are attempting to woo the so-called new nations of the world by blandishments and flattery, and to applaud Socialist movements in the hope of gaining Popular Front Governments in those countries where there is no clear cut government majority. They are quick to accentuate and to magnify any international difference, no matter how slight, between members of the Western Alliance, in an effort to split the Allies, one from the other.

As the Khrushchev-Bulganan visit to the United Kingdom approaches they are suggesting that only the U.S.S.R. and the United Kingdom, as the leaders of Europe, should be responsible for that area . . . . a clear attempt to get the United States and Canadian forces out of Europe, which of course, in my view, would bring about not only the collapse of NATO but the collapse of European Democracy.

In the economic and social field their approach has been ingenious. In those countries where economic assistance is necessary, they have cunningly attributed the present unfortunate stage of the masses solely to the government by former colonial powers, and although they, themselves, have done comparatively little by way of actual help or assistance, they have succeeded in discrediting, in considerable measure, Western aid, by associating it with colonialism and Dollar imperialism.

So long as we can retain our strength in NATO, our military strength in NATO, and in the West and other places to remove the temptation provided by the hope of an easy victory, the likelihood of military attack, in my view, is not great. Certainly, if we remain strong, militarily, there is not likely to be an all out aggression.

But in this new conflict in which we are continually engaged, we have now to direct our efforts toward the political, the economic and the social struggle against Communism, and in this direction, the North Atlantic Treaty Organization, which is the strongest Alliance in the West, rates certainly a high priority on the Soviet target list. Mr. Pearson, on his return from Moscow, reported and I quote: "Mr. Khrushchev made no secret to me of their determination to weaken and to destroy our North Atlantic Organization as an aggressive anti-Soviet bloc."

When I referred just now to NATO being the strongest Alliance in the West, I was not thinking solely in terms of military strength. No, indeed. NATO, in my view, provides the greatest possibilities for real and determined action in the political, economic and social development of Democracy. And immediate action is required, for even within the NATO family, the depressing economic and social conditions of some member countries are such that promises of the local Communist party leaders have beguiled a large part of the electorate into supporting them and sending them to Parliament.

Now, should these local Communist parties in these countries gain a majority or even acquire such strength that the formation of a Popular Front Government develops, it is the beginning of the end of Democracy in those countries. An electorate that enables a Communist Party to form a Government has ceased to be an electorate. From that moment on, Communist control takes over, free elections end, and the will and the wishes of the people cease to have any effect on their respective governments.

Outside NATO area there are many countries where help, and help in large quantities is required, in order to reduce famine and disease and to make available to those countries a standard of living that will enable each human being to live in full freedom and with the dignity the Creator intended.

Unless this help is forthcoming and quickly, the inroads of Communism will rapidly spread and succeed. And while we must endeavour to meet every proposal put forward by the Soviet Government to bring about a relaxation of tension, and while we must examine each with care and with interest, we must continue, nevertheless, to remember that the basic philosophy of the present Soviet Government is to destroy Democracy. As long as Soviet Communism has the destruction of Democracy as its platform, there can be no such thing as peaceful coexistence.

I have endeavoured to point up the danger of being lulled into a false sense of hopefulness by the blandishments and smiles that are currently being made toward the West, and I have indicated to you the desire of the U.S.S.R. to see NATO weakened and destroyed as their immediate goal.

If we are honest and sincere about defending our way of life, and if we still believe in the freedom and the dignity of the individual, then we must be prepared, not only to maintain and to strengthen NATO, but also to accept, personally and nationally, any additional burdens which may be necessary in order to ensure that we are winning this conflict against Communism . . . this life and death struggle in which we are now engaged.

And, costly though our support of NATO may be, in my view it would be poor consolation for our grandchildren to read in their history books that in the last half of the twentieth century, Democracy died of a balanced Budget.

"IN SEARCH OF KNOWLEDGE"

An Address by

MR. JOHN A. DIEMAND
President of the Insurance Company of North America.

Thursday, March 29th, 1956

CHAIRMAN: The President, Dr. C. C. Goldring.

DR. C. C. GOLDRING: Mr. John A. Diemand was born in Philadelphia and for more than fifty years has worked in the field of insurance, having been associated with several companies during that time. Since 1941 he has been President of the Insurance Company of North America.

He has many other business connections, being a Director of the Pennsylvania Railroad; the Fidelity Mutual Life Insurance Company; the Philadelphia Electric Company; and the Central-Penn National Bank. He is also a member of the Board of Trustees of Abington Memorial Hospital; Temple University; and the Williamson Free School of Mechanical Trades.

He has another field of interest which occupies much of his time. Philadelphia is fortunate in that trusts for the improvement of all, or specified parts, of the city have accumulated over the years. In total, the city has received trust funds to the extent of $105,000,000. Previous to 1869, the City Council administered these monies, but in that year the Board of City Trusts was created to administer all charitable trusts vested in the City of Philadelphia. Twelve citizens, together with the Mayor and the President of City Council, constitute the Board of Directors of City Trusts in Philadelphia, and Mr. John Diemand is President of this Board. The largest operation for which the Board is responsible are the 1,100-student Girard College for orphaned boys; the $100,000,000 Girard Estate which supports it; and the Wills Hospital, one of the great eye hospitals of the world.

Mr. Diemand's contributions to the welfare and progress of mankind have been recognized by three colleges or universities which have awarded him honorary degrees. It is a privilege for the Empire Club of Canada to welcome him as its guest speaker to-day. He will now address us on the topic "In Search of Knowledge."

MR. DIEMAND: Enjoying your warm hospitality today, and hearing the very kind words your President has just spoken erase the year of time and the miles of space which separate 1956 from 1955 and Toronto from Philadelphia. It seems almost as though there had been no break in the memorable trip which the Board of Directors of Insurance Company of North America took across your great land last spring.

I shall endeavour here to be brief. You may know, that during the hot and humid weather which comes every summer to my home city of Philadelphia, the most delightful newspaper item we can find is the one which reads: "a mass of cool air is moving in from Canada". It would be a poor turnabout if I gave your fine Toronto newspapers an opportunity to report tomorrow that a "mass of hot air has moved in from Philadelphia."

Another reason for brevity is the fact that last June at Banff I was made an honorary chief of your Canadian Stoney Tribe and cannot, as an adopted son, use the plea of being a foreigner to impose upon your time.

The invitation you gave me to speak today was not accompanied by a directive as to a topic for discussion. You did not ask me, as an American, to explain the United States to Canada—a task, incidentally, which I am afraid would take considerably longer than we are prepared to take today—nor to explain Canada to Canadians.

I have taken as inspiration for my remarks a newspaper headline which described the visit of our Board of Directors to Toronto. That headline was simply this: "In Search of Knowledge."

The search for knowledge is something with which we are all concerned. The search for knowledge, for wisdom and for understanding, is something which ideally should be universal among individuals, families, and institutions.

Let me describe how this idea of a search for knowledge was applied to our own business in the spring of 1955:

The Canadian inspection trip of our Board was undertaken from Philadelphia on May 29 and was concluded on June 13. It covered almost 7,000 miles of travel and two weeks of time. We visited Montreal, Toronto, Winnipeg, Banff, Calgary and Vancouver. All along the route we were permitted to visit your banks, industrial plants, warehouses and ports. At each stop we met many of your leaders in business, in church and state; in between stops we received stirring impressions of your vast and wonderful country.

Throughout this visit, we were tremendously impressed by many things, but most of all by your hearty friendliness and cordiality. We all returned to the States with the feeling that we had visited "a home away from home."

Inspection trips are not a new venture with us. In 1953 we visited the Pacific Coast of the United States for a week, and in 1954 a similar inspection of the Texas-Louisiana area was undertaken. However, 1955 was the first time we had gone beyond our borders. This tour was for us truly historic. Here, in Toronto, in the Board Room of the Bank of Nova Scotia, upon invitation, we held for the first time in our 163-year history, a meeting of our Board of Directors on foreign soil. The date was June 1, 1955.

The one thing I remember most vividly about the meeting was not an item concerned with our business. It was the inspiring mural that decorates one end of that handsome room. There, on canvas, the Canadian artist, Selwyn Dewdney, seems to have captured the true spirit of Canada.

In the foreground of that painting are four men. Their gaze is directed at the distant landscape—valleys, water, mountains. Their eyes are looking toward the future. To me that symbolizes Canada, a country with an illustrious past, a prosperous present and a future of boundless opportunities.

Let me explain here and now that Insurance Company of North America's interest in Canada is not new. It is not something awakened by the discovery of oil in Alberta, or of uranium in Saskatchewan.

A Persian poet in the Thirteenth Century summed up my philosophy in this regard, when he wrote:

> "He is not friend who in thine hour of pride
> Brags of his love and calls himself thy kin
> He is a friend who hales his fellow in
> And clangs the door upon the wolf outside."

Canadians, of course, have needed no help in keeping the wolf from the Dominion door.

There is at present, however, such world-wide interest in Canada that it becomes a source of great satisfaction and pride to us that our interest in your great nation goes back at least as far as 1879, when the North America appointed its first agent in Halifax. A year later we appointed our first agent in the city of Montreal. I am happy to report that both of these appointments have endured. These agencies still represent us today, along with 3,200 other independent Canadian businessmen.

Thus, we have long known and been grateful for most satisfactory business relations across our long northern border to which, as your Secretary of State for External Affairs once said, "There have been so many 'unguarded' references."

The primary objective of our operations in Canada, as in every other country, has been to establish ourselves on the basis of a long range venture for a profit and *in the public interest*.

Lest there be some misunderstanding on this last phrase, I refer in the present case to the "public interest of Canada." Nor is this impractical altruism. Explaining our policy in the published "Principles of Operations" which we give to every young employee who will serve outside of the United States, we have said:

"This will mean constant effort to supply the insurance-buying public with protection against its insurable losses through the broadest forms possible, at reasonable rates, backed by unquestioned financial strength. To the extent that our efforts are successful in this direction, we aid the economic growth of the countries where we operate."

We have carried out these principles during the three score and seven years we have carried on business here.

It is against this background that I should like to return to discussion of the importance of a continuing search for knowledge.

Knowledge, according to Webster, is familiarity gained by actual experience.

We learn from the Book of Job that words without knowledge darken counsel. Decision, based on intuition or insight may be expeditious from time to time, but there is no substitute for knowledge in any facet of human life.

President Eisenhower recently stated this principle simply and clearly when he said, "Both in peace and war . . . . no man can isolate himself from the men and women he is attempting to serve and really sense what is in their hearts and minds."

Canadian businessmen put this principle to practical use. Your banking leaders, for example, are among the best informed men of world affairs that I have ever had the privilege of meeting. Much of their knowledge of the world comes from the many years spent early in their careers in various posts around the globe.

To carry out a program in the public interest of Canada, therefore, it is vital for us to have a sound knowledge of Canada.

Our Canadian staff, numbering about 500 men and women, is entirely composed of Canadians. They are citizens of Canada first, proud of their heritage. Our Canadian management is headed by a senior officer of our Companies, who sees to it that there is constant interchange of ideas and personnel between Canada and ourselves. When our Board visited here we received a liberal education in the problems and opportunities which confront you.

Ever since last June I have renewed my efforts to encourage American businessmen of my acquaintance to visit Canada. Through publication of a special report entitled, "Salute to Canada," we have tried to spread this encouragement beyond our own circle of friends . . . . and let me hasten to say, also, that I have invited Canadians to visit us. This invitation, of course, extends to each of you gentlemen.

We have felt that only from first-hand observation can one properly appreciate the remarkable development that has taken place and is taking shape in this vast and progressive country. What we may have read about Canada, or what we may remember of Canada from a vacation visit in years past, is not sufficient to appreciate truly your greatness as a nation. The knowledge that we seek is indispensable for mutual understanding.

The motto above the door of many American schools is "Enter to learn, go forth to serve." It is an excellent motto in its encouragement of the idea of service, but it can also be an over-simplification.

The learning process must be a continuing one, if we are really "to go forth to serve." In a larger sense, we might say that the learning process must be a continuing one, if we of the Western World are to survive in the face of the challenges to our way of life.

In using the term "Western World" I do not mean a narrow definition of the Western Hemisphere. The phrase encompasses all those nations which agree on the unique value of the individual.

Canadians and Americans jointly have heavy responsibilities in today's world. Our attachments in the Old World are intertwined. We share to a great extent a common heritage. Both of us hold to common ideals of freedom and the dignity of the human being.

We have, to be sure, each travelled different roads. We, from Colonies, through the anguish of a Civil War, to a firm Union of States. And you to a Federation of Provinces in a new land, to partnership in a Commonwealth. We have been side-by-side in the major world conflicts of this century. The roads have been different, yes! But they have been to some degree parallel and strikingly harmonious. While they have each been inspired by identical ideals as to the essential goodness of man and his dignity, they have led to widely different practical expressions and forms. Americans learn that a Queen is not a President, Parliament not Congress, and Provinces not States; but that both forms of Government are Constitutional and derive from the consent of the governed.

Histories are generally written about nations, not about ideas. Many Americans would probably agree that the Boston Tea Party was the trigger for the War of Independence. And yet, in the centuries that are to come, history's long-range judgment may assert that the trigger was pulled by the troops of Oliver Cromwell, more than a century before, in England. Our life currents flow side-by-side in the mainstream of history.

Since most of us here today are businessmen, let us consider what knowledge may be most helpful to us in the days ahead and what knowledge we can well impart to future generations.

All of us, Canadians and Americans, have seen that opportunity and freedom are the twin torches which have attracted to our shores many people from the Old World. Without freedoms, we know, there can be little opportunity.

Therefore, in our businesses we must provide opportunities. And, I can assure you that they do abound. We have, on both sides of the border, acquired tremendous technical skills, enabling us to create production machines which are the marvel of the world.

The era of atomic energy, the threshold of which we are now crossing, and the beginnings of automation in industry promise to increase our productive capacity to heights not dreamed even a decade ago.

Our present prosperity has been built upon the foundation of responsible free enterprise. We have the opportunity (and the challenge) to prove to the world that this foundation is firm and that the dynamic capitalism built upon it holds more promise than any form of regimentation.

Our search for knowledge must be concerned then with the central ideas of personal liberty and opportunity. We must encourage individual initiative, provide scope for the pioneer. The frontiers of geography are fast disappearing in a world which shrinks day by day as each new miracle of communication and transportation occurs.

The new frontiers are in the mind. There are the sciences, research, engineering, production, marketing, services.

These frontiers must be conquered by the free minds of free men and their fruits enjoyed in a free society. By our example, we must lead the way for a world that is hungry for leadership.

The knowledge we can impart to future generations is something which we have gained from the bitter personal experiences of our generation. We can sense it in the old, but always true words, "Eternal vigilance is the price of liberty." Here is no ancient shibboleth dusted off for present use. Each great civilization of the past, the City States of Greece and later the Roman Empire, learned too late the true meaning of these words. We cannot assign to others the responsibilities we hold as citizens. We cannot assign to government the functions that we can and should perform on our own initiative. We cannot, that is, if we wish to survive and flourish.

Throughout Canada there is an enterprising spirit. I have seen it first-hand and been inspired by it. From the valley of the St. Lawrence, across the great plains, to your western slopes, Canadians have their faces turned to the distant horizons. You have the spirit of pioneers. There is so much of it abroad in your land that I could wish that some of it might spread into the United States, giving us renewed inspiration to face the future in a partnership with you.

Our common interests, our common hopes and aspirations draw their inspiration from the same sources. In my home we have a well-loved and well-thumbed old Scottish Bible. Perhaps my remarks today can best be concluded with the beautiful words of the 133rd Psalm:

> "Behold, how good and pleasant it is
> for brethren to dwell together in unity."

"FACTORS IN DEVELOPING A MINERAL DEPOSIT"

An Adrress by

DR. JOHN F. THOMPSON
Chairman of the Board
The International Nickel Company of Canada, Limited

Thursday, April 5th, 1956

CHAIRMAN: The President, Dr. C. C. Goldring.

DR. C. C. GOLDRING: The heart of many a Canadian child has swelled with pride when he learned in school that Canada leads the world in the production of nickel. Many a Canadian adult, too, has been thrilled to realize the profit he has made from a wise investment in the nickel industry. It is our privilege, to-day, to have as our guest speaker Dr. John Thompson who has been associated with the International Nickel Company since 1906.

Dr. Thompson was born in the state of Maine and attended the School of Mines, Columbia University, receiving a B.S. degree in 1903 and Ph.D. degree in 1906. He has since been awarded honorary degrees by Columbia University and also by Queen's. In his long association with INCO, Dr. Thompson has served in a variety of capacities. He became a Director of the Canadian company in 1931, a Vice-President in 1932, President in 1949, and Chairman of the Board in 1951. He is connected with several other business enterprises, being a Director of seven companies, most of which are concerned with metals. He is a Trustee or member of the Advisory Committee of several other organizations associated with mining and metals.

The Empire Club of Canada welcomes to our city this distinguished citizen of the United States who will address us on the topic, "Factors in Developing a Mineral Deposit".

DR. THOMPSON: When one is invited to address an organization of the nature of The Empire Club of Canada, with a membership encompassing so many diversified spheres of activity, it is always difficult to select a topic of sufficient general interest to the audience. I have listened to many talks such as the one I am giving today, and it has always seemed to me that the speaker did best if he selected a subject in which he himself was vitally interested, hoping that some of his enthusiasm would be carried over to his listeners. Accordingly, I selected as a title, "Factors in Developing a Mineral Deposit", feeling that there are certain factors which are vital to the success of such an undertaking, but which are often overlooked by mining companies. The essence of this thought can be expressed in these few words: A mineral deposit has no value unless the ore can be mined, refined and the resulting metal sold at a profit. In saying this, I wish to emphasize the word "sold".

When I entered the mining business some fifty years ago, the average mining company felt it had fulfilled its function when it produced finished metals in good quality and either offered them for sale on established open markets, such as the London Metal exchange, or put them on the shelf and waited for customers to come around. With the commercial development of new metals, there had to be a complete change of view on this matter. Since nickel is one of these metals, perhaps the earliest element to fit into this category, I shall use it throughout as an illustration.

Back in 1883, when the Canadian Pacific was being cut through Northern Ontario, a sulphide ore deposit was discovered. Thinking that it was a rich copper deposit, the original discoverers were filled with enthusiasm. The shipment of the first material to the Orford Copper Company, later to become part of the International Nickel

Company, rapidly brought to light that, although there was copper in the ore, there was something else, soon determined to be nickel, which completely destroyed the value of the ore as a copper ore, and left the Sudbury Basin as simply an enormous opportunity for its owners to go broke trying to work it. The Sudbury Basin at that moment was valueless.

Not only was there no established market for this nickel, but there was no known satisfactory method which would separate the nickel from the copper, thus enabling the operators to produce the valuable copper. They first tried the old method of chemical solution. They then, by one of those combinations of hard work, some technical knowledge and luck, discovered that by melting the matte with a mixture of coke and sodium sulphate, they could produce a metal which separated on cooling into two layers, the one being rich in copper, the other rich in nickel. By this means was discovered the so-called Orford Process, which for some fifty years remained probably the most efficient, economical and rapid method of separating the nickel and copper in copper-nickel ores.

However, our predecessors in the nickel business had courage, vision and determination, or what perhaps might be more accurately described as plain mule-headed stubbornness, and they proceeded to go out and find where there were markets for nickel beyond the then limited uses in nickel silver and eletroplating. Fortunately for them, it had been determined that nickel gave certain properties to steel which made the resulting steel useful in armor plate, big guns and projectiles. Thus the original impetus to the nickel business was given by these uses.

Some twenty years later the automobile, with its use of nickel steel, created a then small but growing market for the metal. But up to the First World War, nickel remained largely an armament metal, and the world statistics of consumption were overwhelmingly affected according to whether the various countries of the world were engaged in the construction of naval fleets. This continued until after the end of the First World War, during which time the consumption of nickel reached a then all-time high.

The ending of the war, plus the Washington Naval Conference, destroyed this market—destroyed it to such an extent that for eighteen months there was no nickel ore raised in the Sudbury Basin and the Sudbury Basin became almost as valueless as it had been in the early 80's when the presence of nickel indicated that the Basin had no future as a copper mining centre.

Thus in 1922 the nickel industry was faced with a desperate problem—we had what we then knew were large and potentially very valuable deposits. We had the belief that a market could be developed. We were satisfied that we had an obligation to convert the nickel business from an armament specially to a world-wide peacetime industry and, at that time, we started to do it.

Fortunately, however, Monel metal had been discovered in 1905, and in 1906 we had embarked on a program of learning the properties of this high-nickel copper alloy, working out its fabrication, and then, with full confidence in our ability to create a market, started on its commercial development. During those fifteen to sixteen years, we had spent a great deal of time, a great deal of effort, and a great deal of money in unprofitably pursuing this development. But while these years were unprofitable financially, they were later to pay large dividends, because during this time we were able to experiment and work out many of the things which had to be discovered and mastered, before we were able to successfully make a market for Monel, or be even able to produce the metal at all. And, more important than these, during this time, we were able to build up a group of men well skilled in all the different arts of making the metal, selling the metal, finding and working with customers, advertising and so forth—the foundation of our later nickel development.

Naturally, Monel metal was first in our thoughts. We knew how to manufacture it but we had no facilities of our own to do so. We had learned through experience that we could not successfully develop a market depending on others to do our rolling and fabrication for us. We had a market so small that it apparently did not justify the building of a rolling mill, but the Management and Directors had sufficient courage to determine on an expenditure of over $3,500,000 at a time when the Company's resources in quick cash and securities were only about two-thirds of that amount, feeling confident that given a mill which would enable us to produce the forms of rolled products needed, we could go out and establish a profitable market for them. Simultaneously with this, we pushed ahead on a similar activity designed to remove nickel from the armament class or a material used in comparatively small amounts in nickel silver, plating, coinage and nickel steel into a metal of universal application. Starting from this basis, and with, as I said before, the Sudbury Basin shut down for eighteen months, we proceeded to build up a rounded organization covering mining, smelting, refining, research, technical field service and, most importantly, a wide distribution system to dispose of our various products, with the result that in 1929 we sold more nickel than had ever been sold in the world before in any one year, even at the peak of the First World War. For that year we estimated how much of this nickel went into armament or war purposes. There were naturally some differences of opinion as to where the line should be drawn between war and non-war uses and, on that basis, the estimates differ. The lowest estimate was one-half of one per cent—the highest estimate was five per cent—and the nickel business had become an industry rather than a war-time specialty.

From that point, we have continued to expand the uses for nickel so that today the world is short of this product because we again have a re-armament and stockpile demand superimposed on the peace-time demands. This has required our doing many things. I would like to take them up, not in their order of importance, because there is no order of importance. Each one of them is an essential link in the chain. Perhaps in orderly progression they might be considered as follows:

The first is the exploration for new ore deposits. The old traditional mining method was to find a deposit, mine it as quickly as possible in the most profitable manner possible and, when the mines were exhausted, move on, leaving a ghost town, of which there are many on this Continent. But we are not in the business of making ghost towns; we are in the business of running a continuing industry. The management of a modern mining company has a number of obligations. First they have the primary obligation to the country in which the mines are located. Nature has put a valuable material underground and that must be handled in a way which satisfies the national interests. Secondly, management has an obligation to its employees to see that they can have the opportunity to continue to work profitably in this industry throughout their lives and their children's lives. Thirdly, it certainly has an obligation to the customers to see that they receive the materials they want in the forms they want and that they can buy them in places located to suit their needs. Finally, we have the sometimes apparently forgotten group, the stockholders who are risking their money in the enterprise and who, if the enterprise is to continue, must be satisfied with the results of the stewardship. At times these interests apparently come in conflict. That they actually come in conflict, I cannot agree. There are, however, facts which must be recognized, which through the interbalance of forces control many of a company's actions.

Taking the question of exploration, every time you mine a pound of ore, you have removed something for good and all and, to the extent of that one pound, a mine or a mining district has moved towards its final extinction. But there are many people whose lives and fortunes are invested in having a continuing operation. From the local standpoint, it is vital, from the national standpoint, it is essential that the lives of mines be conserved over a long, regular period; that towns not become ghost towns; that the mines continue to pay the wages and taxes, support the schools and hospitals, and do all those things which we all regard as one of the functions of a modern mining company. But when you hunt for ore, you have to hunt for ore where it is located, and with a large developing market, ore is only valuable if it is found in large quantities.

Naturally, we prefer to find ore somewhere in Canada and have extended our search to all parts of the country. But with the potentialities of the nickel market, it is necessary to extend the search further to other places where geology makes it possible that nickel deposits may be found. As a result, we must extend our exploration to all parts of the world where we feel that nickel is geologically possible and there should be a recognition that if a large, profitable nickel deposit is discovered, somewhere outside of Canada, Canadians, I feel, should be pleased with this discovery, not feeling that it is a competitor of Canadian mines, but feeling that it is an insurance that, as the world's demand for metals continues to grow, this additional source of supply only buttresses and supports the continuing life of the established Canadian deposits and of the towns and industries which are dependent on them.

But after the ore has been found, many steps must be taken before the metal is in final form for the market. This is of course inseparable from any metallurgical development and, since the emphasis of my talk today is essentially on the final step of this operation—the marketing—suffice it to say that our processes, following the Orford Process, which I described a short time ago, have changed, modified and improved while our methods of mining, which started originally as open pit quarrying, have now developed to five different kinds of underground mining, ranging through blast hole mining, shrinkage stopes, square set mining and panel caving.

These improvements and developments of processes go on continuously. This is essential for two reasons, the first a defensive reason, that is: costs must be reduced if we are to be able, over a period of time, to meet the general increase in cost which inflation continues to bring us. Second, constructively, so as to make available and profitable the lower grade ores and those ores which today are not profitable, but which, with new and improved processes can often be worked even more profitably than the older richer deposits. Thirdly, since the nickel deposits are not only nickel deposits, but also deposits containing copper and precious metals, especially the platinum metals, it is necessary to work out processes which will recover every possible ounce of value from each carload which is mined. So that, at present, having started originally as a company which produced nickel and copper, we now produce a variety of some fourteen metals and elements, thus both profitably working the ore and generally adding to the mineral resources of Canada.

But to do this takes both long periods of time and large amounts of money. As an example, we just started to produce iron ore from the first unit of an iron ore recovery plant near Copper Cliff. The first shipments have already been made to Canadian steel works. Iron has, of course, been since the beginning, a recognized element in the Sudbury ores. Various efforts have been made in the past to convert it into some sort of commercial form, but these have always been unsuccessful. Our present endeavour which has now resulted in an operation delivering high-grade iron ore—ore of the highest grade on this Continent—started almost exactly ten years ago. During those ten years we have had a constant experience of steady experimentation and also of the steady spending of money and at the end of that period, while we have produced a new, very valuable product from Canadian ores, we have also involved ourselves in a large capital expenditure, so that the first unit of this plant has cost some $19,000,000 with other units still to be built. However, the result has been an addition to Canada's wealth and an additional source of income to the Nickel Company.

As I said a moment ago, all of these new developments called for large investments of capital. For example, since the beginning of our major programme of mine development and expansion during World War II, the Company's capital expenditures have aggregated $220,000,000, and we are now spending an average of about $23,000,000 a year. Capital cost of construction of new plants has now reached the point where a plant, such as the U.S. Government plant in Cuba rated at 50,000,000 pounds per year capacity, will cost, when it is complete, probably a total of $90,000,000.

All of these expenditures are essential if we are to continue to do our share in supplying the world with nickel and if we are to keep our costs reasonable in view of the inflation which has taken place with the resulting great rises in the cost of labour, power, supplies, etc.

Having given this rapid survey, let us turn to the really important point which I would like to make, and that is the necessity of proper distribution and the making of the market. Naturally, each metal company has a sales department and our Company has them in various parts of the world wherever the principal markets are located. But this selling activity requires almost immediate extension; either to sub-sales departments located in different parts of the country and in different countries, or perhaps equally importantly to distributors or agents who sell the products of the Company together with the products of other companies. For, as we have learned, it is only by selling a combination of metals that one of these distributors is able to support a proper activity.

The first step, therefore, is to find distributors strategically located in the various cities of the various countries in which one intends to do business. The most essential thing is to find distributors with the proper attitude of mind, for distribution of a new metal is not a simple matter of putting it on the shelf and selling it to the customers who comes along. It requires a large complicated mechanism, involving not only serving the current customers, but searching for the new customers who will build an increasing market. And let me say that the essence of this thought is contained in these words which have become a sort of by-word around the Nickel Company: The size of the world's nickel market is only limited by the imagination and the amount of work, energy and skill which the producers of nickel are prepared to put into building it. Thus in order to have proper distributors, they must have men who have the same ideal in mind, who are not satisfied with today's sales, but are constantly reaching out, not only for new customers in old fields, although they do that as a matter of course, but also for customers in new undeveloped fields. This calls for men who have the imagination to invent fields for themselves, who have the energy to take an idea and convert it into an established use. Naturally, to find these men takes a good deal of hunting and then a good deal of training.

The Nickel Company has been especially happy in this. It started fifty years ago to sell its products, especially in the United States, in England and on the Continent—there was no Canadian business to speak of in those days—through the efforts of young men inspired with the same idea of creating a market rather than battling for a share of an old market which others created. As a result, we have distributors scattered throughout the world, old friends, men brought up thoroughly imbued with the spirit of constantly expanding the uses of nickel in those places where it is economically practical and possible. And when I say economically practical and possible, I mean where it is profitable to the user, because the only foundation of a proper development for a metal is to find those people who can profit by its use and then, by supplying their needs, establish a continuing business. Through them we have a set of offices and warehouses, of distributors located throughout the world who are engaged in selling our products to the trade. Certain of the new uses are developed by these distributors from experience gained from contact with various potential users. But back of that must lie a determined effort of our own to develop new alloys, to develop new products, to understand the conditions under which our products are used, to determine which of our products is best adapted for a particular purpose and finally to make the knowledge which we have obtained, through the laboratory, through experience in the trade, through studying records of scientific societies and engineering societies, freely and readily available to potential users. That in itself is an activity of its own.

In this connection, we operate 13 research laboratories in Canada, the United States and the United Kingdom. We also support outside research activities in these and other countries. But after the research work has been completed, the essential thing is to put into practical use what has been learned. Our first step in this direction was taken in 1926 when we established two of what are known today as Centres of Information on Nickel, one in France and one in the United Kingdom. Today, there are nickel information bureaux in eight industrial countries, supplemented by 13 technical field offices. These offices are staffed by engineers and scientists who are familiar with the background and needs of the industries in their countries. They have wide acquaintance with and enjoy the confidence of the engineering staffs of the organizations by whom they are regularly consulted. At an annual aggregate expense of between $1,250,000 and $1,500,000, these men search out new uses for nickel, determine the product to be used and then make the results of their efforts available to the trade.

In each of the industrial countries of the world we have built up mailing lists carefully, so that we can reach promptly various businessmen—various purchasing agents, various engineers—in all the different industries, and so that a piece of technical information, developed, say, in England can be rapidly distributed to those people in Canada, the United States, Germany, France and Belgium who are in the best position to use it. These information bureaux also have trained technical men who call on the trade to give technical information, who answer technical questions over the telephone and distribute specialized literature on a variety of subjects.

As an example of this work, I can only say that each year we publish in six different languages, 14 technical periodicals with a total circulation of over 3,500,000. In addition, 358 technical publications are currently available. Most of these are in the form of bulletins and reprints of technical papers. Last year we had about 50,000 requests for 170,000 items. In a single year our Development and Research personnel presented 27 papers and delivered 167 lectures before technical audiences throughout the world. Extensive contact is maintained with the public through advertising, motion pictures and radio. Our technical service to industry, I believe, is the most comprehensive and extensive given by any company for any metal.

It is now thirty years since this service first started. During this time almost one generation of technical men has passed through these offices and these companies, and the mechanism, the technique, of doing this work has been developed from year to year and is being developed still further for service in the future. For until somebody is profitably using nickel, there is no point in all the large investment of money and time in finding it and getting it out of the ground.

But to learn about the properties of nickel and its compounds and alloys is useless unless, as I have said, the interested potential customer is able to buy the material he needs in the form he needs from conveniently located sources of supply. To this end, we have distributors established in 72 cities in major industrial centres throughout the world.

And now we come to one of the most important considerations in developing the market. This is the establishing of prices. Because of the small number of nickel producers, it has been assumed that competition was at a minimum. Actually, nickel competes with many things. It is not direct competition of the nickel of one producer with the nickel of other producers which is disturbing, but the competition of nickel-containing products with all the other available substitute materials. In one place, nickel products compete with plastics or wood, in another case with the bronze and brasses, in still others with aluminium. In order for some companies to change to a nickel-containing product from a product containing no nickel, it is often necessary for them to make expensive and complicated changes in machinery and process. In many cases, they must invest large amounts of capital in order to make the changes. Beyond this, they have to advertise more extensively, more expensively and, in many instances, they have to risk their whole company's name on the use of a nickel alloy. They cannot afford to do this if they are subject to the whims of rapid changes in nickel prices and it is only by establishing a price and by sticking to it long enough to convince them that this is an established policy, that we can induce them to make the expensive changes which are necessary and to take the commercial risks. The stability of price, which has been a feature of the nickel industry, is based on this firm belief that only by such a policy could the nickel market be properly expanded. Inflation has forced the price up to its present level. Whether it will force it further, we do not know. What the results of economic and technological changes will be, we do not know. For many years, technological advance, plus the savings in overhead, due to increase in production were sufficient to enable the price to be kept steady. I can only re-state that a steady price, recognized as reasonable both by producers and consumers, is essential to the enlargement of the nickel market.

Using nickel as an example, I have sketched those practices which we believe are necessary to the development of the market of any metal. Canada is now going through one of the great stages of its metal development; new mineral deposits are being found in all parts of the country. Many of these are deposits of metals for which the market is at present very limited. To find the market for these newer quantities and especially for these newer metals, I believe that it will be necessary to go through the steps which I have outlined to make a market for the product. I believe that the same energy and vision which have led to the discovery of deposits will lead to the making of markets. We have here, in Canada, great resources. Among the greatest of these are the energy and determination of its people. With sufficient imagination and enough hard work, I feel that markets can be created for all of Canada's rapidly expanding metal production.

"DEFENCE AND THE NORTH"

An Address by

HON. RALPH CAMPNEY
Minister of National Defence

Thursday, April 12th, 1956

CHAIRMAN: The President, Dr. C. C. Goldring.

DR. C. C. GOLDRING: In the fall of 1914, Mr. Ralph Campney entered Queen's University as a student in Medicine. A few months later he enlisted and went overseas in May, 1915, serving in the army in Egypt, France, and Belgium. He was invalided to England in 1917 and upon recovery joined the Royal Flying Corps, serving as an aviator in the R.F.C. until the Armistice.

Returning to Queen's he changed from Medicine to Arts and, after graduation, studied Law and was called to the Bar of Ontario in 1924. He was employed in the Public Service at Ottawa for the next five years, working closely with the late Prime Minister Mackenzie King. In 1929 he settled in Vancouver and in a few years built up a substantial law practice. He was elected Member of Parliament in Vancouver Centre in 1949 and re-elected in 1953. In a rather short career in Parliament he has been Assistant to Defence Minister Brooke Claxton, Solicitor General, and since July 1st, 1954, Minister of National Defence.

A few days ago, Mr. Campney was in the Far North of Canada, inspecting combined American and Canadian defences in the Arctic Regions. To-day he is back again in Southern Ontario and the members of the Empire Club of Canada appreciate the fact that he has come to Toronto to speak to us on the subject, "Defence in the Far North."

HON. RALPH CAMPNEY: Times, defence wise, have really changed. The time is long past when any one nation can, by itself, guarantee the peace of the world. But the time has arrived when one nation might quite easily, by itself, destroy the world. Such has been the development of unprecedented almost unbelievable powers of destruction within the last few short years.

What we choose to call conventional weapons have been overtaken by atomic possibilities, and atomic possibilities are now themselves quite overshadowed by thermonuclear weapons.

And no one should confuse atomic with thermonuclear weapons. Thermonuclear weapons are as much more devastating than atomic weapons in their effect as atomic weapons are more destructive than conventional weapons. Atomic weapons spell devastation. Thermonuclear weapons mean annihilation.

Our hopes for permanent peace in the face of these dismal and foreboding facts rest more and more on the growing unity and strength of the free nations. This means in effect that it depends largely on the success or otherwise of the North Atlantic Treaty Organization or NATO as it is commonly known. It may prove possible for 15 nations working closely and effectively together to accomplish what none of them could hope to achieve singly. It will prove possible if we all give to NATO that continuing, energetic and all-out support which it requires — which indeed it must have if it is to ultimately relieve us of the continual threat of war.

We Canadians have nearly always shown a good sense of proportion in adjusting ourselves to rapid changes, whatever their nature, and in peace as well as in war. In fact, the whole amazing record of Canada's achievements and development in recent years affords abundant evidence of this ability to adjust ourselves. And our ability to find a middle road has proven one of our greatest contributions to international affairs.

We are rapidly growing up in Canada. In the last 10 years our population has increased by nearly one-third and now stands just short of 16,000,000. Of this increase, some one and a quarter million people are new Canadians who, since 1945, have come to this country as immigrants. At least one out of every four of these new Canadians has made his start here in greater Toronto.

The past decade, too, has witnessed the greatest period of industrial expansion, prosperity and general well being in the history of our country. Canada's gross national product has risen from less than twelve billion dollars in 1945 to more than twenty-six billion dollars last year, and throughout that period we have consistently been one of the top trading nations of the world.

During two world wars and action in Korea we have demonstrated beyond peradventure that prosperity has not made us soft and that freedom is regarded by all of us as dearer than life itself.

This is a record of which Canadians may indeed be proud, and as we look hopefully forward we think we see Canada ending the twentieth century as one of the world's major powers. But however much we enjoy the progress, the growth and the prosperity which are ours, all this marvellous advance will avail us nothing if it should end in an atomic ashheap.

National defence therefore becomes supremely important to all Canadians—to you, and to me, and to every individual—and Canada's defence policy must continue to rate top priority in our national consideration as well.

What is our defence policy? On what basis does it rest? Since all-out war, unleashing as it would the full fury of modern thermonuclear weapons, can only result in unimaginable death, destruction and misery, it becomes obvious that our basic policy must be directed to preventing such a war starting at all.

It is our duty, therefore, as Canadians, to contribute everything we can, within the limits of our ability and our capacity toward strengthening the deterrent power of the free world. The policy which has come to be known as the "policy of the deterrent."

To make such a deterrent policy effective means that we, and our allies, must build up such strength as will enable us to retaliate against any attack so swiftly and so surely and with such awful destructive force that no nation will dare to invoke all out war for fear of being itself destroyed. The development of such strength has already, for several years, called for great and continuous effort and sacrifice on our part. It will continue throughout the foreseeable future to require more and more of the same.

We can hardly hope to understand or fully appreciate the twistings and turnings of the Soviet mind as it rings all the changes from sweet plausibility to bitter anger and increasing rage.

But we ought not to be deceived as to the real aims and purposes of Communism. The record in that respect is very clear. And we do know one thing—that the Soviets understand and respect strength. We must, therefore, if we would hope to prevent all-out war, continue to lead from more and more strength.

That is not to say that we should not ceaselessly and sincerely seek a solution of all our difficulties by peaceful and diplomatic means. But we had better be cautious and careful and sup with our adversaries, when we must, with a long spoon.

May we now for a few moments consider Canada's contribution to that deterrent to which I referred a few moments ago.

The immediate and over-all aim of Canada's defence programme and planning is, of course, to provide for the security of Canada itself. Defence—like charity—begins at home. And any defence effort is based on military and scientific preparation, the extent of which at any given time and under any given circumstances is determined in the last analysis by the will of the people—by democracy in action. Obviously, particularly in peace time—and we are today living in a time of peace, troubled and uncertain though it may be—democracies tend to look more to the development and prosperity of their country than to military preparations for its defence.

Following demobilization and readjustment after World War II, our active forces in Canada numbered less than 33,000 persons in all. Today we have over 116,000 officers and men in the regular forces maintained in a constant state of preparedness. The maintenance of such sizeable standing forces in time of peace is something new for this unmilitary nation and reflects very clearly the realistic approach of the Canadian people to the potential danger which threatens the world.

In our modernized Royal Canadian Navy, ready to protect our shores and the sea lanes, we have 44 war ships in commission with 35 in reserve and 20 under construction. The Army has at home three infantry brigades and a mobile striking force as well as a brigade in Europe. The Royal Canadian Air Force maintains 17 regular squadrons in Canada and 12 in Europe. Nine of the regular squadrons in Canada are fighter squadrons equipped with long-range, all weather CF-100 jet fighters. In addition, there are in Canada's regular air force three maritime squadrons, four transport squadrons and one photographic squadron.

And, of course, each of the three services is supported by its own reserve components. I can assure you that no effort has been spared in making these forces the very best that human ingenuity and patriotic devotion can achieve. Canada has always been an active member of the United Nations, which has as it's primary aim the preservation of peace.

Under the aegis, of the United Nations in Korea Canadian service men, through dedicated service and sacrifice, helped to clearly demonstrate that aggression can be halted by collective action. In the Korean conflict which added such lustre to our military record, some twenty-seven thousand Canadians served in Korea during the period of active hostilities, of whom three hundred and twelve made the supreme sacrifice and twelve hundred were wounded in action.

Canada, too, is a charter member of and has always been a constant supporter of the North Atlantic Alliance. The North Atlantic Treaty Organization was born out of the threat to peace in Europe during the late 1940's at a time when the Soviet Union was seizing control of nation after nation, one by one. NATO was originated as and remains a great and constructive experiment in international relations, designed to provide security on a collective basis. Under the treaty, a very simple covenant sets out that an attack upon one or more of the NATO members in Europe or North America will be regarded as an attack upon all. No longer will it be possible for an aggressor to pick off the free nations one by one.

Almost everything Canada is doing in the realm of defence constitutes an integral part of NATO's great cooperative effort. The build up of our forces at home, the provision of an infantry brigade group and 12 squadrons of fighter aircraft in Europe, our contribution to the cost of providing airfields, pipelines, communication and the like in Europe—known by the horrible name of infrastructure—our provision of mutual aid in the form of military equipment to the extent of almost one and a quarter billions of dollars, including our NATO air training scheme for training aircrew for our allies—nearly 4000 have been trained already—all of these constitute substantial and effective contributions to the strength being developed by the NATO countries as a whole.

When General Gruenther, the Supreme Allied Commander of NATO forces in Europe, was in Ottawa last month he spoke in the highest terms of the Canadian forces in Europe and of Canada's overall contribution to NATO as well, with particular emphasis on the great morale building effect of our effort on our European allies. We are today playing our part in the NATO picture and I believe with General Gruenther that we are playing it effectively and well.

In North America we are engaged with our neighbour to the south in establishing a comprehensive air warning and defence system, largely located in the great northern reaches of our own country. Now that the Soviet union has discovered the secret of the hydrogen bomb and has developed the means of delivering it to North America, this project becomes increasingly urgent.

Time was when attacks on North America, if they occurred at all, would only be diversionary attacks to tie down this continent's forces which, in the event of war, would probably be urgently required in Europe. All that has now changed, and we are faced with the real possibility of an attempt to strike a crippling blow by air on our two countries for the dual purpose of destroying our industrial potential and of destroying the retaliatory capacity of the United States Strategic Air Command on which so much depends, not only from our own point of view but from the point of view of the safety of the whole NATO alliance.

We can not ignore the threat thus poised. Indeed, we must seek, by every means in our power, to meet it effectively, and this we are actively endeavouring to do. Along with the United States we are building an integrated system of air defence for the North American continent in which Canada and the United States each plays its respective role.

Effective air defence requires three elements—adequate detecting apparatus, adequate communications and adequate attacking power to seek out and destroy invading planes. For some time, as you know, we have been building an integrated warning and communications system to serve a threefold purpose, should the need arise—to alert fighter aircraft to the approach of hostile bombers, to warn the civil population of that fact, and to enable the powerful United States strategic air bombing force to get off the ground and on its way to carry out its devastating, retaliatory blow at the enemy.

The joint Canada-United States radar warning and control system consists of four main parts: the Pinetree system, covering the industrial heartlands of Canada and the United States; the Mid-Canada early warning line, roughly located along the 55th parallel of latitude; the distant early warning or DEW line, located generally where the continental land mass meets the Arctic Ocean, extensions on both flanks of the continent into the oceans on either side.

I returned the day before yesterday from a 10,000 mile flight through northern Canada and the far Arctic regions examining the progress being made in construction of both the DEW line and the Mid-Canada line.

I was accompanied on this trip by my colleagues, Rt. Hon. C. D. Howe and Hon. Jean Lesage, Minister of Northern Affairs and National Resources and by Mr. Charles Wilson, Secretary of Defence of the United States, and Mr. Donald Quarles, Secretary for Air of that country, as well as by that good friend of all of us, Hon. Douglas Stuart who is just finishing his term as United States Ambassador to Canada. It proved to be an intensely interesting, revealing and inspiring experience.

What is going on in that vast, barren, sparsely populated area today staggers the imagination. And it is all being accomplished in spite of a multitude of tough problems—problems of transportation and of construction—problems arising from the severity of the climate—from the vast distances involved—from the permanently frozen conditions which obtain—from these and a dozen other problems which serve only to hamper and delay.

Incidentally, I had the unusual experience of flying across Canada's Far North without touching Canada at all—I left Northern Greenland by air in the morning and landed in northern Alaska in the evening, having crossed in the interval the whole 2700 miles of that vast, fascinating area which constitutes Canada's great Arctic northland.

The construction by the United States government of the most northerly early warning line—the DEW line, as it is called—will constitute, if ever its story can be fully told, one of the greatest epics in the history of the Far North.

The United States Air Force, the Western Electric Company, the general contractors charged with its construction—the majority of whom, incidentally, are Canadian companies—and the thousands of workers and suppliers under their direction, will certainly all have every reason to be proud of their achievement. Throughout all this vast effort, I may say, they have received the closest co-operation of the Canadian armed services and of Canadian government departments and agencies. Perhaps, as I cannot disclose very many details of the construction and supply effort which is going into the DEW line at this time, it may give you some idea if I tell you that one distributing center far up in the Arctic which I visited is today being served by eighteen civil air lines. Including planes of the U.S.A.F. and the R.C.A.F. over one thousand aircraft landed there last month—an average of well over thirty a day throughout the month.

Perhaps somewhat less dramatic but equally important to our defences—and even more significant, perhaps to Canada's economic progress as it rolls the map northward—is the building of the Mid-Canada line. This also we saw at close hand earlier this week as we inspected key sites on the ground and from the air and saw something of the marshalling of supplies and materials needed for this great enterprise. More than 1,200 men are working on the mid-Canada line and thousands more are working in shops and factories to supply and equip it.

The building of this line is entirely a Canadian undertaking and its cost will be fully borne by the Canadian government. The rapid way in which the little known sub-Arctic hinterland of Canada is being opened up is evidence of the imaginative and effective way in which the R.C.A.F. and federal government departments, the management contractor, the Bell Telephone Company, and the other Canadian contractors are working together on this huge assignment.

As I have just seen at close hand over one thousand miles of its extent, I should like to tell you something about the mid-Canada line which is the culmination of many new ideas in construction, communications and transportation.

I well recall the first conferences to study the problem of providing this vital element in the continental warning system. Our experts began, of course, by studying the map of Canada—northern Canada. And in so doing they were forced to consider the difficulties they would face in building this line across the sub-Arctic. Around Hudson Bay especially, the terrain and climate conspired against any intruder: in winter, forbidding trackless wastes and bitter cold; in summer, impassible bogs and muskeg—and mosquitoes, large alike in size and in number.

Each area presented special problems. Ungava in the east was slashed across by its innumerable lakes, rocky ridges, scrib forests and bogs, almost inpenetrable in spots. The James Bay area in summer was mired down in muskeg, with many lakes and surprisingly large streams. The coast of Hudson Bay, because of shallow waters, was almost unapproachable. To the west, the muskeg merged again into wooded country, at first hilly, and then, in the far west, vast areas of high, forbidding, almost totally unexplored mountains.

It was evident, of course, that cold would challenge the builders' ingenuity, but that transportation would constitute the great and continuing problem. The construction of the Mid-Canada line would clearly involve many of the harrowing problems which in earlier years plagued the pushing of the Hudson Bay Railway to Churchill, the building of the Alaska highway and the opening of the Knob Lake country.

If ever there was a Canadian construction project in which the difficulties all argued against action, this was it. However, the R.C.A.F. was not to be daunted, and in this enterprise they found determined allies in government and industry.

Once we had decided to push ahead with it—and this was less than three years ago—dozens of sites had to be chosen along 2,700 miles of little known and inadequately mapped territory. Aerial photography by the R.C.A.F. and large-scale maps by the Canadian Army made possible the preliminary selection of sites. Next, came the ground survey and sitting parties to verify or improve on the locations, both from the construction and electronic points of view. Then came the designing of the buildings for the various types of stations and to meet the special conditions of the country, involving the use of many new and novel ideas.

The building of the Mid-Canada line is a notable construction story, but above all, it is, as I have said, the story of transportation. Each phase of the project has depended on getting the supplies, material and construction workers to the right place at the right time. If—as well it may—the building of the Mid-Canada line becomes one day a part of Canadian folklore, accounts of these journeys and hauls will, I am sure, be longest recalled and recounted to succeeding generations.

Many means of transportation have been used in the trek northward: ship, train, truck, and tractor train, airplane and helicopter. The eastern and central areas have been, by the nature terrain, most difficult to traverse.

At Moosonee, for example, there was, at one stage, a great marshalling of 9,000 tons of freight that had to go forward this winter and spring by tractor train over the trackless wastes to a desolate site near Hudson Bay. Where no road existed, one was built—surely one of the most extraordinary roads ever made—the Snow Trail, a wide, smooth highway of packed snow and ice, taking the tractor trains north for 500 miles along the western shores of James Bay and Hudson Bay.

To build this road a survey party first set out, followed by Indians on snowshoes, then by snowmobiles and, finally, by tractors and tractor trains. The Snow Trail is melting now and it may not be needed again, and the tractors are striving to reach their summer bases before they mire down in the muskeg.

For further advances into the north there is now a new transport technique — thanks to the ingenuity of the Mid-Canada engineers. Studies are being made of a great balloon-tired vehicle, with wheels 8 to 12 feet in diameter, which might replace the much slower tractor train. To traverse the hitherto impassable muskeg, the "muskeg buggy" and other amphibious vehicles are now being tried out.

The difficulties of the Hudson Bay beaches too have presented special problems. For transport of fuel to several beach sites, miniature Pluto lines—on the same principle as those used for the Normandy invasion—might have to be run on the seabed for several miles off shore to tankers; or in other cases fuel lines had to be used that are specially designed to float on the water.

Many Mid-Canada sites have lakes nearby, thus making summer airlift possible. And when these lakes are frozen, ice air strips can be developed for winter supply. A study of lakes adjacent to stations has also had to be made from the point of fresh water supply. Many lakes freeze solid during the long Arctic winter, and such solid freezing would, of course, render them useless as a source of water supply. It becomes, therefore, a matter of considerable importance that a deep lake be found near each station to ensure unbroken water supply.

In a project of this magnitude, forward planning is all-important. As the line's sites are being developed, the equipment for them is being tested, perfected and scheduled for delivery as soon as the line is ready to receive it. The line will consist of dozens of unit detection and warning stations, with a number of main stations. Stations will vary in size, requiring in the initial period from two men at unit stations to more than one hundred at main stations.

It has been decided to man the line in large part by civilians under contract. Hundreds will be hired and trained for this important task. While it is proposed that civilians will operate the line, operational control will, of course, remain the responsibility of the R.C.A.F.

An advanced training course for R.C.A.F. and civilian personnel was started several months ago. The third of the basic training courses for technicians to install and test the line is now proceeding.

For testing and training purposes, two simulated line sections of the Mid-Canada line have been developed—one at Montreal which was finished some time ago, and the second in the Ottawa Valley, now nearing completion. The Ottawa Valley test system, in its main and subordinate stations, will provide an excellent training ground for technicians needed on the line.

In addition to the building of the Mid-Canada stations, there is being built along the line a multi-channel communications system. The Mid-Canada line is also being tied into the vast communications network now being thrown across Canada and into the Arctic to link all elements of the warning and interceptor control system for United States and Canadian military and civil defence purposes.

And so today the Mid-Canada line is being built in spite of awesome difficulties, with that same kind of persistence, endurance and ingenuity which in earlier days pushed Canadian railroads across unmapped territories and through formidable mountains.

It is a sombre thought that such costly and elaborate arrangements are required today in the year of Our Lord, 1956, solely for purposes of defence. But we can hope that because the invader is being closely watched for, he may never come. In any event, we all can be sure that this activity in our northland will have its peace time usefulness too.

In solving the many, many problems of supply and construction on difficult terrain and in a climate of extremes, Canadians are today learning how to build, how to work and how to live in the rigorous vastness of our north. We are learning that by adaptation, by effort and by skill, the sub-Arctic can be made habitable.

The old concept of the "frozen" north as an inhospitable forbidding wasteland of snow and ice is giving way to the new concept of the north as a land of opportunity, of challenge and of hope. Vistas of great promise are opening for a sturdy, enterprising people, and I envision a new era of promising expansion for Canada—a surge of development perhaps as spectacular as that which opened the west at the turn of the century.

Canada's northland yields much wealth but it will yield far, far more in the years to come. In recent years there has been a wave of mineral exploration and extraordinary development. Recent discoveries have included such a variety of minerals that it appears the northland may prove to be very rich indeed in mineral wealth.

Development has been hindered up to now by problems of distance, transportation, climate and terrain but, as I have said, the ingenuity of man is overcoming those obstacles. We are mastering the hitherto untameable north. And the establishment of the northern early warning lines, which are designed to meet the threat of thermonuclear war, is providing air transport bases, tractor roads, communications systems, and even community centres which will be of incalculable value to peaceful pursuits and industrial development.

In conclusion may I say that while I have been talking of defence, all our efforts are really being directed solely to the preservation of peace. Canadians have no aggressive designs against any other country or people. We love our own land, but we do not covet any other's territory. We will never attack anyone. We wish only to live at peace and help the rest of the world to live at peace.

We are, in short, dedicated to the determination so well expressed by Prime Minister Eden and President Eisenhower in the recent Washington Declaration when they said:

> "We shall help ourselves and others to peace, freedom and social progress, maintaining human rights where they are already secure, defending them when they are in peril, and peacefully restoring them when they have been temporarily lost."

We can have no higher nor more inspiring ideal than that.

"THE PRESENT DAY SPIRIT IN FRANCE"

An Address by

HIS EXCELLENGY FRANCIS LACOSTE
Ambassador for France in Canada

Thursday, April 19th, 1956

CHAIRMAN: The Third Vice President, Mr. Bruce Legge.

MR. BRUCE LEGGE: My Lord Bishop, My Lord, distinguished guests, members of The Empire Club of Canada and members of the radio audience. Our speaker, His Excellency, The Honourable Francis Lacoste, the Ambassador of France to Canada comes to us from a distinguished background of service to his country in the diplomatic corps and in the Army.

By serving in France in two world wars, Canadians have learned to admire French courage, and all of us know something of France's famous military tradition. We have been stirred by stories of historic French bravery in Indo-China, and we have marvelled at Napoleon's campaigns which stretched from the scorching deserts of Egypt to the frozen and terrifying prairies of Russia.

But aside from warfare, we also know that in those periods of political activity which precede and follow wars, France has excelled in the refined art of diplomacy. Indeed, it is a maxim that French is the language of diplomacy—to which might be added that the French are the masters of diplomacy. As an example, every schoolboy knows that Talleyrand dominated the Congress in Vienna after the Napoleonic wars.

His Excellency was born in 1905 and his notable career contains a vast experience of war and diplomacy.

He is a graduate of the School of Political Science, and before the Second World War served as Secretary to the French Embassies in Belgrade and then in Peking.

In 1939 he joined the colours as an infantry officer and during the German occupation of France, he was a member of the underground French Ministry of Foreign Affairs. During the campaign for the liberation of France in 1944 he served with the French Resistance and with the First French Army. He is an officer of the Legion of Honour and for his distinguished services in War, he was awarded the Croix de Guerre.

After the war, His Excellency returned to the diplomatic service and held many important posts as Counsellor of the French Embassy in Washington, as the presiding member of the Delegation to the Far Eastern Commission and as the French Delegate to the Geneva Conference on Far-Eastern affairs. He has also been the Deputy French Representative to the Security Council and the head of the French Delegation to the United Nations.

Perhaps his most difficult appointment was that of the Resident-General of France in turbulent Morocco and he bore that stern responsibility for the critical period from May, 1954 until June, 1955.

Only last November, His Excellency was made the Ambassador of France to Canada and we welcome him to The Empire Club of Canada early in his Canadian career. He has chosen neither a military nor political subject but will speak to us on "The Creative Spirit in Present-Day France;—an analysis and a review of some of its chief accomplishments since the Second World War."

HIS EXCELLENCY FRANCIS LACOSTE: Mr. Chairman, Ladies and Gentlemen. Before embarking on the speech which I am to deliver here today on the subject of "The Present-day Spirit in France", I would like to say a few words in French. I am sure that almost everybody here, if not all of you, will understand what I have to say in my native tongue, which also is the native tongue of such a very large number of Canadians. In this great city of Toronto, the elite of whose citizens were able to give such a demonstration of their respect and of their love

for French culture on the occasion of the recent visit of the "Comédie Française", the fact that I may speak a few words in French before The Empire Club of Canada, will be, I hope, and I trust, a symbol of, and a tribute to the culture of the people of Ontario.

Monsieur le Président,
Mesdames, Messieurs,

C'est une marque d'une grande culture, et plus encore, d'une haute civilisation, que l'aptitude d'un peuple á se réclamer concurremment de deux sources spirituelles. A cet égard, le Canada se trouve dans une situation privilégiée, puisque sa population se compose de deux éléments essentiels, qui représentent en son sein deux des plus fortes cultures eutopéennes.

Mais ce qui caractérise la Canada d'aujourd'hui, c'est qu'il ne se content pas de se "trouver" dans cette situation. Il a, de sa double origine, profondément et vivement conscience. Il en est légitimement fier, et il a la volonté de tirer de cette ascendance, pour l'avenir, et dès maintenant, toute la richesse spirituelle et toute la force nationale qu'elle peut lui donner, à condition qu'il en prenne les moyens. L'un de ces moyens,—le principal, sans aucun doute,—c'est la connaissance des deux langues, aussi largement répandue que possible dans tout le pays et dans toutes les classes de la population. Cette connaissance est désirable; elle est même, pour certaines personnes appelées par leurs activités ou leurs fonctions à un rôle èminent dans la vie politique, économique et sociale du Pays, strictement nécessaire. Elle est désirable et nécessaire à des fins de culture intéllectuelle et spirituelle, car on ne peut vraiment gouter l'histoire, la littérature, la civilisation d'un Pays, et s'en pénétrer, que si l'on peut puiser directement à leurs sources. Elle est non moins désirable et non moins nécessaire pour faire face aux exigences du présent, pour les besoins de cette vie de tous les jours qui est, au siècle actuel peut-être plus que jamais dans le passé, chargée de présages pour l'avenir proche et lointain.

Or, lorsqu'une nation a, comme la vôtre, la chance insigne d'avoir vu se pencher sur son berceau deux marraines aussi prestigieuses, elle se doit de les reconnaitre, et de less connaitre toutes les deux. Ces deux marraines, en effet, ont joué dans la vie du Monde entier, depuis cinq siècles, un rôle si capital; elles y jouent encore, et sont appelées à y jouer dorénavant, un rôle, littéralement parlant, si crucial, en cette époque où les pôles de force s'appellent Est et Ouest, que le Canada, seul Pays au Monde à participer à la fois à la civilisation de ces deux grandes dames parfois querelleuses, mais désormais unies par l'Entente Cordiale, a le devoir de mettre son double privilège on pleine valeur.

Je découvre chaque jour à quel point il l'a compris. Je l'en félicite de tout coeur. Et, représentant de l'une des deux Nations dont il est issu, je trouve un vif plaisir à venir exposer aux Canadiens de l'Ontario ce que la France pense, et ce que la France fait, aujourd'hui, dans le domaine de la science pure et de ses applications pratiques, qui préparent et préfigurent la vie du Monde de demain.

One of the marks of a high civilization is the possibility of a people to claim two spiritual origins—in this regard Canada is privileged since her population is composed chiefly of two elements representative of the two strongest cultures of Europe.

What is impressive to the newcomer today is to see that Canada is profoundly conscious of this double origin; that it is legitimately proud of it and determined to draw upon this double heritage for the development of the spiritual riches and national strength which it affords today and for the future. When a country, like yours, has had the privilege of two such distinguished godmothers bending over its cradle, it should know them both intimately; two godmothers, indeed, who for more than five centuries have played a capital role in the whole world and who still have a crucial part to perform in this era when the poles of force are called East and West. Canada is the only country in the world to share jointly the civilizations of these two great ladies who, though sometimes quarrelsome, are nevertheless closely united in the Entente Cordiale. I believe that this may be considered as a great asset.

Today it gives me very great pleasure, as the representative of one of these nations, to meet some of the Canadians of Ontario and to give them a glimpse of what France is thinking and doing today in the domain of science and its applications which are preparing and will transform the life of this planet tomorrow.

It has been said, Ladies and Gentlemen, that the special talent of diplomats is, precisely, that they haven't one. And unkind spirits even suggest that, being Jacks of all trades, they are good-for-nothings. It is certainly true that in our day they are asked to take a hand in a great variety of tasks—some of which are anything but diplomatic. Indeed, I've had the experience myself, and not so long ago. In this flexibility of my career I shall have to find my excuse for discussing with you a subject which you already know well—the economic power of France—in a non-classical manner: I mean that I propose to study it less in terms of quantity and comparisons than in qualifying ideas and positive appraisals; not so much in figures of production, sales and returns, but rather in discoveries, inventions and new potentialities.

In the word "power", which is currently used to describe the riches of a country, there is a double meaning: first an immediate sense that is static and statistical, a concrete sense in both its French and English significance. It means a fact, and a fact today. But this word possesses another sense—a future sense—a sense of promise—a sense which surpasses the other both in time and in the imagination. It is no longer a question of what a country does or of what it does today; it is a question of what it can do, of what it will do tomorrow.

Now in the age in which we live, not only speed, but the acceleration of speed, and its geometrical progression, compel all responsible men—you do it every day in the management of your business affairs—to think and plan for the future at least as much as for the present. The direction of long term action has become as important as action itself. This truth, which has always been, but which in the past few years has come to occupy such an important place in our lives, is exemplified in most modern countries, by flourishing institutions of all kinds whose activity is partly or wholly devoted to forecasting, to foretelling, to "prognostication" in an infinite variety of fields.

Mark Twain, not so very long ago, complained that nobody was doing anything about the weather. But today specialized sky-gazers disperse their sounding-balloons to the four winds, over all continents, to try and discover, among other things, what the meteorology will be two days, a week or even a month later, and perhaps, in a not so distant future, their probing will reach even much further. Other forecasters strive to know what people will do tomorrow by trying to discover what they are thinking today. The institute founded by Mr. Gallup has its emulators everywhere. The demographers of the 20th century seek to determine twenty—even fifty years in advance, not only what the total population will be, but its average age in any given country. It is only fair to note, in this respect, the immense service rendered to the United States and to Canada by their economists who, ever since the crash of 1929, have been unceasingly conducting inquiries to reveal—even from month to month—the tendencies and trends which might lead to another crisis. It was they who, following the Second World War—or better, during the war itself, prepared the vital steps of the "reconversion".

There can therefore be no doubt of the essential importance of this "evolutionary" and "anticipatory" factor in the economy of nations, of this "future power" potential in the power of today.

It is that present and future power which I propose to explore with you in the economy of my own country—an examination which will be, of necessity, both incomplete and superficial—but which I hope you will find worth performing.

Before the First World War there was a traditional maxim that "France was creditor everywhere, debtor nowhere". That was true, not only of her balance of accounts abroad; it applied, as well, in most of the important fields of thought and scientific research and in a majority of important scientific discoveries and inventions. Everywhere, or almost everywhere, France was then in the vanguard. I shall not inflict upon you a long list of famous names — names which have brought world renown to France in all branches of science, both at the end of the last century and at the beginning of this. Their names are in all minds, they are on every tongue as I recall them collectively. And if I were to quote them I would run the risk of giving you the false and painful impression that this Pantheon were a temple dedicated to a dead religion—to a cult of heroes without posterity.

This would be an entirely wrong picture. Truth, in fact, is just the opposite. Manifestations of the creative genius of France have been her glory in past centuries in the arts and letters as well as in the speculative sciences, in the exact sciences and in the sciences of observation. This genius has not ceased throwing off sparks, throwing them just as thick as in the past. But certain changes have taken place recently, particularly in the field of applied science, which makes these beams of light—in other countries as well as in our own—less visible. They have, moreover, given them a less personal, less individual character than in the past — may I say one that lacks the trademark of authentic individuality.

Today the era of solitary research and of "one-man discoveries" is almost over. Rare indeed are they who may still conjugate, in the first person, the famous Greek verb and exclaim with explosive joy the "eureka" of Archimedes, floating and speculating in his bath.

And even more rare in the future will be the man who, watching a swinging lamp, as did Galileo in the Cathedral of Venice, or seeing an apple fall at his feet as did Newton, will deduce first, and alone, a fundamental principle or law of the universe. Researchers today, even those whose names are publicly attached to discoveries, are more conscious than those of the past that they owe a great part of their success to an immense collective effort, not only long anterior to their own, but concurrent with it. Often, also, the credit for a discovery belongs to a team, a study centre, a research laboratory, whose members have been so closely associated in their work that none, not even the chief, would take it upon himself to monopolize the honour of a result which is essentially the product of a common effort.

Often, too, in the limitless field of new utilizations of a principle acquired in the past, anonymity becomes the rule: the discoveries multiply to the point of depreciation; they multiply in series; individual credit is dissipated; "creation" or "invention", authentic though it may be, is no longer attached to the name of one man, or even of a group of men. It becomes a "production secret", "a trick of the trade", a formula of an industrial firm. Capital has been the true animator at its origin. Soon, a discovery becomes commonplace, falls into the public domain before being identified. And yet creation continues, springing up in super-abundance in all fields. Only, its real nature has changed.

Why?

Because research, of which invention is the happy consequence, rests, henceforth, on experimental resources no longer at the disposal of a single or even of a small group of men. Because present progress makes necessary, for the realization of future progress, the employment of enormous and infinitely costly sources of energy, and the systematic exploration of innumerable blind alleys before, by a process of elimination, discovery opens the road to a new horizon. Because of this incessant repetition, in some respects quasi-mechanical but also often infinitely detailed, armies of researchers must be organized, fitted into a scientific hierarchy and directed. And this mobilization presupposes considerable sums of money.

It goes without saying that there are and that there always will be men of vision, intuition, or inspiration—men with some touch of genius, genuine discovery and finders. But more and more such discoveries will be the success of a method, of collective results, and the achievements of "schools" in the broadest and highest sense of the word. There will be schools of thought where those who inspire will not necessarily be those who discover; where those who discover could not find anything without the inspirers. And both will depend upon the assistance of an army of anonymous workers whose laborious and conscientious skill will be a condition and a necessity to the work of discovery.

Thus placed in its true perspective in the general framework of the modern world, the part of France may be more fairly and easily analyzed. If it is true that scientific research—in pure science almost as much as in applied science — tends to become, of necessity, an enterprise more and more collective in character, it is equally true that the quality of the collective results (not only mathematically, but also intellectually and spiritually) arises from, and is in proportion to, the quality of its component elements.

In this respect, what is the value of the contemporary French element? And what is the value of the force in which thousands of this basic element have been incorporated? What is the value of the general organization which moves and directs this force in action and in specific tasks? Finally, what are the actual results of the creative effort of this body? What achievements has it accomplished? What has it got to show for itself? What may one predict for tomorrow, considering the power it is putting forth today? These, I think, are the points which I must touch upon briefly to complete my exposé.

I had recently occasion to recall, before another gathering in the Federal capital, the terrible losses in human lives which France suffered during the First World War—a million and a half of the best men of the generation which was between 18 and 40 years of age in 1914. And I should add—something which one too often forgets—that during these terrible years France lost not only the elite of her youth but all of the offspring of that generation. This is perhaps the gravest damage which may happen to a nation; one which really jeopardizes its very existence when it reaches a certain critical point. In the case of France, in 1914, there is no doubt that this critical point was dangerously approached, during that period in which she was engaged in a desperate struggle for the preservation of values which were not only hers, but which belonged to the whole civilized world. No one, when attempting to judge contemporary France in whatever field, has the right to neglect the extraordinary sacrifice which she then made, and which she renewed twenty years later with such infinitely tragic and sorrowful consequences to her.

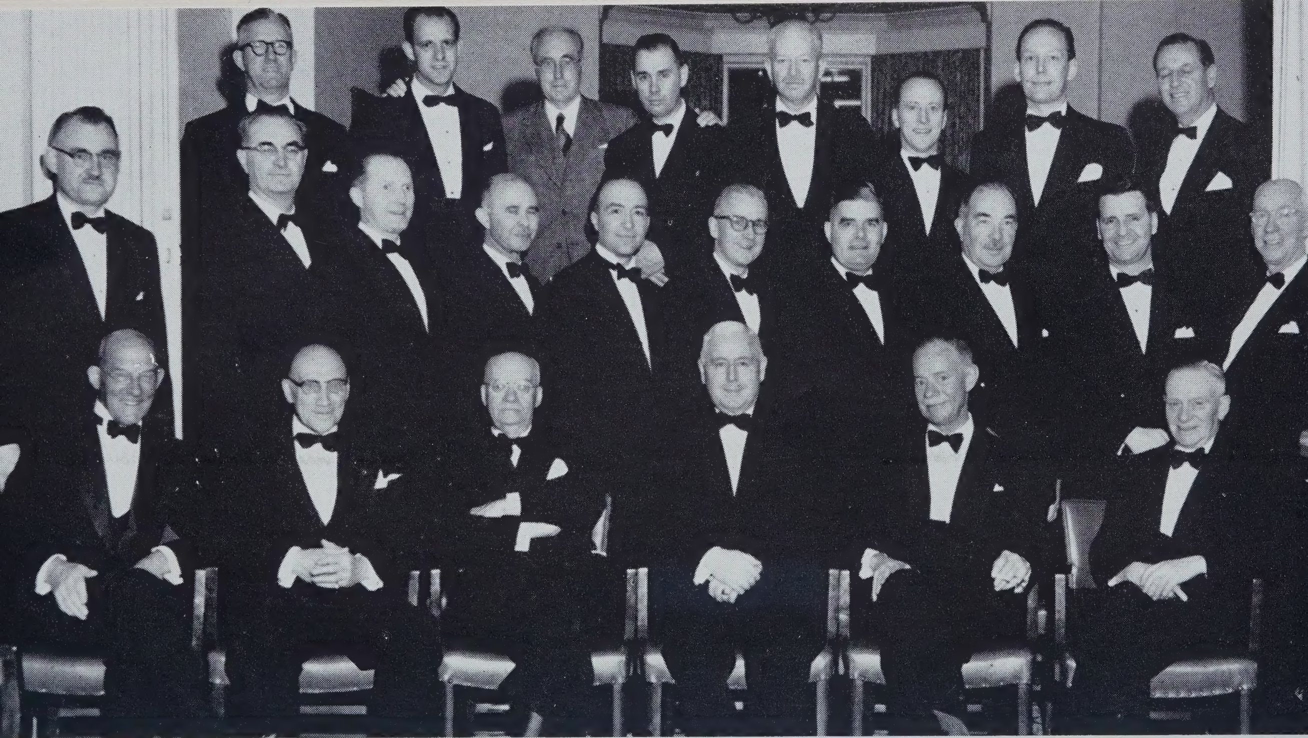
There seems to be no doubt that one must attribute to the cruelty of this ordeal the partial and momentary lessening of her inventive fertility which has been observed. And one should note, also, that this lessening was concurrent with the main phase of the evolutionary phenomenon in the conditions of scientific creation which I described earlier. However, one must consider that a national body is like a human body, endowed with vitality, with a will to survive, with faculties of recuperation, with a power to rebuild its blood and its energy. These forces of recovery have shown themselves in France with a strength all the more striking as the hemorrhage which she suffered was so abundant.

Time is necessary for a nation to recuperate, just as it is necessary for a person. Only that time is usually longer. I think that you will agree that the recovery which began at the end of the First World War continued to produce its effects even after the Second. In a sense, the country started, in spite of the new trial it had just surmounted, from a point which was not quite so low as that which it had reached in the years 1920 to 1925. Otherwise it would be difficult to explain the rapidity with which France rebuilt materially after the monstrous destruction which took place on her soil and in the farthest branches of her economy. In this fact resides the most convincing proof of the physical, technical, intellectual and spiritual value of this basic element of which I spoke a moment ago, the health of which, in its diverse aspects, must be the first factor of confidence in the future.

We have analyzed together, a moment ago, the modern world, and the time has come for us to ask ourselves and try to answer the obvious question: How did the French political, social and economic set-up react in 1945 and since?

Following the end of hostilities I spent three years in the United States, and I remember observing that many of my compatriots who came over to renew contacts after having been cut off from the outside world for five years seemed to be experiencing at the same time two feelings, the combination of which formed the perfect "complex", fathered, in its modern implications, by the Freudian

Honourable Ralph O. Campney Meeting, April 12th, 1956. *From Left to Right:* Hon. Louis Breithaupt, LL.D.; Dr. C. C. Goldring; Hon. Ralph O. Campney, Q.C., M.P.



PAST PRESIDENTS AND EXECUTIVE DINNER, April 12th, 1956. *Front Row, Left to Right:* H. G. Colebrook; Easson Humphrey; R. A. Stapells; Dr. C. C. Goldring; Major J. Baxter, M.C.; Dr. C. R. Sanderson. *Second Row, Left to Right:* A. E. M. Inwood; Z. S. Phimister; James H. Joyce; Lt.-Col. W. H. Montague, O.B.E.; John W. Griffin; Donald H. Jupp, O.B.E.; J. Palmer Kent, Q.C.; A. G. Sculthorpe; E. Miles. *Back Row, Left to Right:* Controller F. Joseph Cornish, Q.C.; David J. Roche; H. T. Jamieson, F.C.A.; Harold R. Lawson; Brig. W. S. Rutherford; Douglas Best; Bruce J. Legge; Alexander Stark, Q.C.

philosophy. Now, it takes at least two feelings to make up a complex. In so-called "minority" complexes there exists, at the side of the major feeling of inferiority, a feeling of superiority which makes the first sensitive, that is, painful. And, vice-versa, a minor feeling of inferiority usually goes with a dominant feeling of superiority which it serves to make aggressive. A number of the French who visited America during those years showed these two feelings, which may be summed up in two statements, equally false and equally shocking—at least in my estimation. Speaking of our friends and allies, the Americans, some said, in substance: "With the lead they have we will never be able to catch up with them". The others retorted, "If we had one-tenth of the means at their disposal, what couldn't we do!" Now I believe that both were in error: the first through pessimism and discouragement, the others by their refusal to recognize certain eminent qualities which—entirely apart from the extraordinary material facilities enjoyed by the Americans—give them much of their creative spirit and its originality.

With remarkable rapidity and sureness France seized what was necessary for her to catch up her many lags. Among these perhaps the worst had been inflicted by the protracted German military occupation of her territory and by the captivity of millions of her sons, as well as by the general disruption of her forces. It should be noted that, meanwhile, the inventive and constructive genius of her allies had remained free and had even been stimulated by the vital competition of the war.

On November 2nd, 1945, an official decree reorganized the French National Centre of Scientific Research which had been created just before the war. The new Centre was given the general task of "developing, directing and co-ordinating scientific research of every kind". Particular responsibilities were:

1. To carry out, or have carried out, either by its own initiative or upon the request of public services or private enterprises, studios and research for the advancement of science or of the national economy in fields of recognized interest;

2. To encourage and facilitate research undertaken by public services, industry or private persons or groups;

3. To assure the co-ordination of research projects pursued by public services, industry or private individuals.

Animated by men who were not always research men, but all of whom were excellent co-ordinators, administrators and inspirers, scientific research in France made extraordinary progress from that moment, in spite of the initial scarcities of all sorts which fettered it. If we remember the length and gravity of the interruption and the appallingly low starting point, the results achieved in ten years are highly satisfactory and encouraging.

With a view to giving you a chance of judging for yourselves that favourable estimation, we will take a look together at some of the principal fields.

First of all, in that classic domain—a domain which even today remains at the base of the industrial power of every modern nation, and from which the initial industrial fortunes of Great Britain, France, Germany and the United States were made—that of coal and steel.

Last year the coal mines of France produced an all-time record of 57 million tons. But this was not because they employed a greater number of men than before the war; on the contrary, they had never employed so few. This enormous progress was due to a radical renovation of techniques which raised the production to approximately 3500 pounds daily per man in the pits. This means one-third more than before the war and is a European record, or, better still, a world record. That is, if you consider it in terms of comparable conditions of extraction and, especially if you take into account the average diameter of the veins in Europe, where it is small, and in America, where it happens to be big—as everything else. This result, of which we feel justified to be proud, was obtained at the price of a huge effort in technical advancement. This was mainly due to the employment of cutting machines, automatic loaders, conveyor belts, all of which may seem very common practice to you, but which had to be adapted to the most difficult and exacting requirements of local conditions, and was created almost ab nihilo of a very few years.

And we are not satisfied with that; new programmes of modernization have been perfected which will further increase the return of the French coal mine. Thus, the Lorraine basin, which up to now has produced only burning coals unsuitable for turning into coke, is being transformed; the defects inherent in Lorraine coals are being corrected through new chemical processes and, thus, the problem presented by the economy of this region, where the metallurgical industry and the mining industry had never in the past been complementary, is now solved. The basin which furnished six million tons of coal before the war today produces 12 millions. Even that figure is to be raised, by 1958, to 18 million.

Let us turn to steel. France produced, without counting the share of the Saar, 12½ million tons in 1955. Here also progress is due to a strenuous effort in technical modernization. That progress appears in many different ways. The case of the rolling mills may serve as an example. One of the characteristic features of the steel market today is the great demand for sheet metal, strip metal, wire and other iron wares. A vast programme had to be put into operation to develop the production of these. Some world records have been broken in the process, for continuous long-belt rolling mills and for cold rolling mills, recently completed in the Moselle. Due to this, France now has her place in a field which was not one of her strong points before the war—but which has become vital in Europe and even on the world market.

* * *

Let us see now where France is in the development of that not so new force—electricity—which she gave the poetic name of “houille blanche”—the “white coal”. In the construction of dams, where French ideas and techniques have shone with brilliance from the beginning, impressive achievements have brought, quite recently, worldwide fame to such French engineers as Mms Caquot, Freyssinet, Lossier and Coyne. M. Coyne came to Canada last year to explain his new technique of sounding tests for the permanent probing of the solidity of dam structure. The names of certain of those recent French achievements are well known in Europe. On the Rhone, Génissiat has 450,000 horsepower; Donzère-Mondragon, even more powerful, was opened two years ago; tomorrow it will be Montélimar. When the programme now under way is finished, the turbulent Rhône will have become a great staircase of harnessed water distributing some 13 billion kilowatt-hours a year, irrigating more than 700,000 acres of land and linking Geneva and Marseille by a continuous waterway.

With the opening of the Grand Canal of Alsace, the same thing is happening to the part of the Rhine between Bâle and Strasbourg; to the Kembs dam of 1932 has been added that of Ottmarsheim, finished in 1952, and Fessenheim, now under construction. Everywhere, enormous projects are under way—a sign of intensive vitality, but proof also of an engineering genius very much alive and active. The launching of these projects could be undertaken only because of the progress in some particular techniques which have become French specialties—that of turbines and giant alternating-current generators are examples. For high falls, the Electrical Station of Pagnières Cap de Long, in the Pyrenees, is equipped with the two Pelton horizontal turbines producing 109,000 horsepower under a fall of 3,600 feet, which constitutes a world record of power for turbines of this category. For average falls, the celebrated Leon Perrier station, at Génissiat, has vertical Francis turbines which are the most powerful installation of that kind in Western Europe. Finally, for low falls, the André Bloudel station of Donzère-Mondragon, with its six groups of 50,000 kilowatts drawn by Kaplans of 70,000 horsepower, working under 66 feet, holds the power record for this type of turbine. And you certainly knew that French technicians in the employ of the Neyrpic Society of Grenoble, are busy right now developing the power potential of some of the rivers of the Province of Quebec.

I could also mention the building of 250 miles of pipeline which recently linked the production centres for gas of the Lorraine basin with the distribution centres in Paris and its suburbs; the ultramodern petrol refineries in the Lower Seine, in the Gironde region and on the Mediterranean.

But let us say a word about the Railroads. You know, of course, that the French National Railways broke all world records for speed last year. They ran an experimental passenger train on the road between Bayonne and Bordeaux in the southwest of France at a speed of slightly more than one hundred and fifty miles an hour. As far as I know, this is about fifty miles per hour more than anything that has ever been accomplished on this continent. But other achievements, less spectacular, deserve perhaps even more praise. Is it not nice to know that French trains travelling at an average speed of more than 60 miles an hour, link the principal cities of France every day, and that all of them have an enviable record of being exactly on time?

Another remarkable achievement is our use of electricity in France to run our trains. Now the Research Centre of the French National Railways has perfected a formula for feeding the electrical lines directly with ordinary industrial high tension current (20 to 25 thousand volts). The cost of equipping an electrified line is thus reduced by 40%; the numerous sub-stations have been replaced by simple alternating-current posts every 30 to 45 miles. Thus the lines carrying the current to the machines have their charges reduced and lightened to the maximum and, thanks to this progress, it has been possible to perfect locomotives which easily outclass the best continuous direct current machines.

Finally, the modern French railbed is constructed of welded rails, each 2,400 feet long and laid on hard rubber shock absorbers. Some of our "Michelines"—railcars, short, adaptable and very speedy—roll on rubber tires, and we expect the Paris underground—our famous "Metro"—to be equipped that way in the very near future.

I might mention also that the initial inspiration for and utilization of pro-stressed concrete was a French invention. As you know, this method, which has spread all over the world, is used extensively in Canada.

It is not generally realized that France is in the front line for the development of all electronic devices. It was France that perfected the "GAMMA" calculator, the most rapid in the world. We sell it in very large quantities in the United States today. And the range of French perfected radars surpasses that of their nearest competitors by 30%. The cinemascope, perfected by Professor Chrétion, covers the screens of this continent. I should speak too—merely touching the surface—of the new scientific work and original achievements made in France in the utilization of solar energy in the Pyrenees at Pic du Midi; and in harnessing the tides. We have a huge centre under construction for the latter purpose in the estuary of a little river called the Rance. If we are successful in this—and we expect to be successful—we could help you try your hand at this new game for which Canada seems to be particularly suited. Just think about what could be accomplished with tides like that of the Bay of Fundy!

The renaissance of the French aeronautical industry has had international significance. The latest productions are the Caravelle, the Leduc and the Djinn helicopter which have aroused much interest and curiosity abroad —and I must not forget the famous Mystère Mark IV which is being produced in France for the NATO forces.

Lastly, in the atomic field, where exploration demands such fabulous expenditures, France has succeeded, in spite of the interruption caused by the war, in recovering her place in the group of research scientists who make up the vanguard. Remembering that France was the great initiator in radio-active matters with the work of Henri Becquerel and the Curies at the turn of the century, it is not surprising that French atomic scientists are forging ahead. France is, as you know, the biggest producer of uranium among the West European nations, although, to you, Canadians, our production may look a very paltry affair. Still, last year, France had more than 3,000 research scientists and a budget of $50,000,000 devoted to discovery in the field of the peaceful uses of atomic energy.

Gentlemen, the achievements which I have strung along so rapidly before you have received the most eloquent testimonial possible, in that there is a huge and still growing demand throughout the world for French industrial techniques and technicians. This is particularly true in the fields of civil engineering and public works.

In Latin America, where so many foreign competitors seek to help the young Republics in the development of their enormous economic, potential, French companies and engineers have been sought out. They have built the important smelting group of Paz del Rio in Colombia, which was inaugurated only recently.

In Peru, a group of French firms, in co-operation with the Banque de Paris et des Pays-Bas, tendered for and were awarded the contract for building the steel works and hydro-electrical centre of Sauta.

In Venezuela, the new turnpike—the La Guaira-Caracas—has viaducts which are among the largest arches in the world using prestressed concrete in the superstructure. It is of French construction.

In Brazil, French enterprises are building the important chemical products plant in Cabo-Frio, near Rio-de-Janeiro, and the company called "Les Grands Travaux de Marseille" is constructing the great dam and the hydro-electrical station of Cacheeira Dourada on the Paraniba river. Three years ago, when I had the privilege of visiting the gigantic electrical centre of Paolo Afonso (then under construction) on the Rio San Francisco, the Brazilian engineer directing the project told me that he had taken all his scientific training and studies in France; and that is still another way of exporting, in more subtle form, the techniques of France.

In Asia and Africa, French technicians are being equally successful: dams and irrigation works in Iraq; electrical works in India; enlargement of the port of Colombo; construction of aerodromes in Turkey; an underground railway in Istambul: a great electrical station on the Tumut river in Australia; expansion of the airport of Hong Kong; construction of a pipeline in Kenya; dams in the Belgian Congo. I shall stop this enumeration here. Only one remark to conclude it: In the field of public works alone. France at the moment holds 47 world records.

Gentlemen, at the end of this survey of French economic powewr, in which I purposely abstained, for reason of brevity, from dealing with the immense field of agriculture, I have taken you with me not by helicopter, but rather by supersonic jet—and I am afraid that I may still have seemed long to you. I shall make only one more comment.

Although I know that none of you would doubt the accuracy of all the facts and notions which I have laid before you, some of you may think that, true as they were, those statements sounded very boastful, and that I might have been better inspired in taking a lesson from the famous English virtue of under-statement. Now, however much I may admire that virtue, and strive—perhaps not always as successfully as I should—to practice it for my own personal benefit, I feel that when it comes to my country, the issue is different. Because it is a fact that, whereas France is strongly criticized—when she is not just plainly slandered—on a great many scores, little is known and said about what she accomplishes in fields which are not belles-lettres, art, wines, perfumes, dressmaking and gastronomy. All those are highly respectable and likeable activities in which we are pleased and proud to excel. But we feel that this is not the whole story, and that we stand to lose much by being noted only for our achievements in those elegant and pleasurable domains.

I felt, therefore, that it was my duty to take advantage of the occasion given me by the Empire Club of Canada to present to you a more complete and adequate picture of present-day France, which would bring you up on certain little-known aspects, while it would do credit to the hard-working men and women of my country. I hope I may have succeeded in my attempt. That attempt would still be imperfect if I did not leave with you this thought:

that in all her undertakings, in all her endeavours, France is not seeking only her own good or her own selfish ends. True to the tradition of all her history she is constantly conscious of being at work for that great community of free nations to which she belongs. I am sure you will find there are many elements of resemblance between you and us, for Canada is giving a great example of dedication to ideals which far surpass a narrow conception of her national interest. So does France, so has she done for centuries, so is she preparing to do as much as she finds it possible in the future.

May I say that the terrible experience of the last war has sharpened her eagerness to forge ahead in that great task of international co-operation not only in Europe but everywhere on the world scene.

ANNUAL MEETING

Thursday, April 26th, 1956.

CHAIRMAN: Dr. C. C. Goldring.

PRESIDENT'S REPORT: In accordance with the Constitution of the Empire Club of Canada, the President is required to submit at the Annual Meeting a report of the year's proceedings, along with a report from the Treasurer. An audited statement of our finances will be published in the Year Book.

Our total income for the year was $10,787, excluding life memberships. Our disbursements were $10,440, thus leaving a balance of $347. Our present membership is 2,177 compared with 2,088 at this time last year. During the year we took in 316 new members but lost, through resignations and deaths, 227 so that we have a net increase of 89 members.

During the year, the Club held thirty-one meetings which were attended by 8,285 people, the average attendance per meeting being 267. Of our speakers, eighteen were Canadians, nine were from the United States, three from the British Isles, and we were privileged to have the French Ambassador as well. Some would like us to have more speakers from the British Isles and with this desire the Executive concurs. I might say that we have left no stone unturned in inviting visitors from Britain during the year but it is difficult to make the necessary arrangements.

I am happy to be able to report that our year has been successful in every respect as the result of co-operative work by many men who lead busy lives. I should like, first of all, to mention the conscientious work of Mr. Ernest Miles our Secretary, and Mr. Walter Comber, C.A., our Honorary Treasurer. These gentlemen render valuable assistance in their respective fields and continue to be two corner stones of the Club. I should like to extend our thanks, too, to Mr. Frank B. McGillion who has, as in other years, played the National Anthem for us at the beginning of our meetings.

Our recent Past-Presidents, Messrs. Gibson, Griffin, Inwood, and Joyce, who are members of the Executive, through their experience and enthusiasm have contributed greatly to the success of the Club. The various Chairmen of Committees have carried out well the responsibilities of their respective Committees. Mr. J. Palmer Kent, Q.C., has been Chairman of our Constitution Committee and has given the necessary attention to that important phase of our work. Mr. Harold Lawson, Chairman of the Budget and Finance Committee, with his assistants, prepared a budget carefully. This has been of value in setting up objectives in our plans for the year.

The onerous responsibility of the Membership Committee has had Lt. Col. W. H. Montague, O.B.E., E.D., as its Chairman for the year and the fact that our membership has increased is a tribute to the earnest efforts of Col. Montague and his Committee. In charge of our head table arrangements for the year have been Mr. Griffin and Mr. Legge. This is an exacting and difficult responsibility and I pay tribute to Mr. Griffin and Mr. Legge for having done a very fine piece of work. Mr. S. S. Fletcher was Chairman of the Publicity and Public Relations Committee and we have had very favourable publicity. Our Reception Committee, as last year, has had as Chairman, Mr. R. Ford Ralph, and as Vice-Chairman, Dr. Clarence B. Crummey. At least one of these gentlemen is around each meeting, welcoming guests and members and contributing toward the happy atmosphere which characterizes our meetings. The Chairman of the Year Book Committee has been Mr. Z. S. Phimister, who has worked at it faithfully and, as a result, our book will be ready in good time and should be a valued addition to the libraries of the members.

I have assumed the responsibility of the Chairmanship of the Speakers Committee for the year and the members of the Committee have carried out their work so efficiently that there has been but little for me to do. I think there will be general agreement that the speakers provided this year have been of a very high calibre and this is due to the efforts of the members of the Speakers Committee.

The Hotel Management has provided us with accommodation and given much helpful service, and to the Royal York Hotel I wish to express my thanks.

I should like, too, to say a word of appreciation to the Press for covering our meetings, and to those in charge of broadcasting. With one or two exceptions, all our meetings have been broadcast this year and I have had letters or messages from many parts of Ontario from people who listen to the weekly broadcasts of the Empire Club. I have been impressed by the courtesy and efficient work done by the men in charge of broadcasting our meetings.

In conclusion I would like to say that it has been a unique privilege to serve as President of the Empire Club of Canada for a year. I am happy to have had such an opportunity and I should like to thank all members of the Executive who have responded generously to any request for assistance. I hope that those members (all 8,285) who have attended our meetings have enjoyed them and that we shall continue our happy associations in the fall of 1956.

I will now ask Mr. John Griffin, Chairman of the Nominating Committee, to present his Committee's Report.

MR. GRIFFIN: Mr. Chairman and Gentlemen: I was very honoured when I was asked to assume the position of Chairman of the Nominating Committee. In fact I feel that it may well be a greater distinction than the Presidency of this Club itself. For many years these reports of the Nominating Committee have been presented to you by our dear friend Dick Stapells and I am all the more gratified at having the privilege of following in such august footsteps.

The Nominating Committee was duly chosen according to the Constitution of this Club. It met once and selected the following as Officers and Members of the Executive Committee for 1956-7.

For President—Lieut. Col. Donald Howard Jupp, O.B.E., presently the First Vice-President of this Club. Col. Jupp was born in England 45 years ago and educated at Perse School and Christ's College Cambridge, where he was graduated with an honours B.A. degree. He joined the famous Lancashire Glass firm of Pilkington Bros. Limited with whom he has been associated ever since. He came to Canada in 1935 and is today a Director and Executive Vice-President of the Pilkington organization in Canada.

On the outbreak of war he joined the Canadian army and spent five years overseas, mainly in a series of Administrative Staff appointments. In addition to his O.B.E. he was mentioned in dispatches for distinguished services in Italy.

He is widely traveled in Europe and North and South America and is today a regular airline commuter to British Columbia and the United Kingdom.

He has been an active and effective member of the Empire Club Executive for some years and has devoted his energies and talent to the membership, head table and speakers committees. I feel that the Empire Club is most fortunate that Col. Jupp has agreed to be our President for the coming year.

First Vice-President: Lieut. Col. W. H. Montague, O.B.E., E.D.
Second Vice-President: Maj. Bruce J. Legge
Third Vice-President: Harold R. Lawson
Secretary: Ernest Miles
Hon. Treasurer: W. W. Comber, C.A.
Hon. Secretary: R. Ford Ralph
Asst. Secretary: Dr. Clarence B. Crummey
Hon. Auditor: H. T. Jamieson, F.C.A.

Executive Committee:
Ian Baxter
Royd E. Beamish
Douglas Best

Cont. F. Joseph Cornish, Q.C.
Dr. Harold V. Cranfield
S. S. Fletcher
Marvin Gelber
Warren B. Hastings
Lt. Col. N. D. Hogg, M.B.E., E.D.
H. R. Jackman
J. Palmer Kent, Q.C.
Frank B. McGillion
Ald. Harold Menzies
Z. S. Phimister
David J. Roche
Brig. W. S. Rutherford, E.D.
Bredin Stapells
Alexander Stark, Q.C.

Immediate Past President: Dr. C. C. Goldring

Past Presidents: John W. Griffin
Arthur E. M. Inwood
James H. Joyce

I move the election of this slate of officers and executive members, which motion is seconded by Mr. Arthur Inwood.

THE CHAIRMAN: I instruct the Secretary to cast one ballot for the election of these gentlemen.

The Secretary has just handed me his ballot so I declare those nominated are elected as officers and members of the Executive Committee for 1956-7.

"ONTARIO'S DEVELOPMENT AND ECONOMIC PROSPECTS"

An Address by

GEORGE GATHERCOLE, ESQ.
Deputy Minister of Economics

Thursday, April 26th, 1956

CHAIRMAN OF MEETING: Dr. C. C. Goldring.

DR. C. C. GOLDRING: During the present season, the members of the Empire Club of Canada have heard addresses concerning conditions in several far-off countries, including South Africa, Australia, India, and Ceylon. We have had guests from the British Isles and from the United States. Several Canadians have given us information concerning the national affairs of this country. It seems particularly appropriate, therefore, that for our last meeting of the 1955-56 season we should have a speaker who will talk to us about the native province of most of us and the adopted province of many.

After graduating from the University of Toronto and taking post-graduate work in England in Economics, Mr. George Gathercole has worked for the Provincial Government for some eleven years and has held a variety of posts dealing with the financial affairs of the Province of Ontario. From 1945 to 1950 he was the Assistant Provincial Statistician of the Government of Ontario. In 1951 he was appointed Provincial Economist and in 1954 he was made Assistant Comptroller of Finances. He was appointed Deputy Minister of the new Department of Economics on January 1st, 1956. He has found time for relaxation, too, and is Vice-President of the Mississauga Golf and Country Club.

We welcome this distinguished Economist to our meeting to-day and he will address us on the subject "Ontario's Economic Prospects."

MR. GEORGE GATHERCOLE: If anyone thinks I am here to sing the praises of this Province, he is correct. I had resolved on this course before I learned that my Minister, the Honourable Dana Porter, as well as my old chief and dear friend, Chester Walters, were to be here today and, in fact, seated at this head table. But my course, in any event would have been the same, for so spectacular has been the economic expansion of this Province in the last decade and a half that it would be difficult for anyone to describe it without using superlatives. Last year, the physical volume of production of this Province was nearly three times that of 1939. The people of Ontario alone produced more goods in physical terms, after allowing for price changes, than all the people of Canada in the year before World War II.

While our population has increased 43 per cent since 1939, our output of primary iron and steel, motor vehicles, electric power and dwelling units has trebled. Our capacity to produce refrigerators, electric and gas stoves and appliances of all kinds has multiplied many times. The physical output of our pulp and paper industry has more than doubled, while our mining industry, with its rich and widespread discoveries of uranium, nickel, copper, and zinc, has advanced as never before. Agriculture, with a fifth fewer farmers and a fourth smaller labour force, has increased its manpower productivity by 75 per cent and output by 28 per cent.

Judged by consumer purchases, living standards in the Province have increased 60 per cent since just before World War II. At the same time, we have been ploughing back into capital investment of all kinds—the fruits of which we will not fully harvest for some years in the future—over one-fifth of our total provincial product. The benefits of our increasing population have not been concentrated in any one segment of our population: they have been widely spread over the Province and among nearly all income groups. Salaries, wages, profits and dividends have all increased far more than the rise in consumer prices.

Many factors have combined to bring about this result, and if we are to comprehend what lies ahead, we will need to understand some of the underlying forces in this development, as well as the problems which have arisen.

Basic to our whole development has been the growth in our population. Back in the 1930's our population was growing at a rate of 35,000 to 40,000 a year. In recent years, it has been increasing at an annual rate of nearly 150,000. This growth of nearly 3 per cent annually, which is nearly double the annual rate of increase in the United States and exceeds that of the rest of Canada, stems, of course, from two main forces—our natural increase and immigration. The immigration to this Province from foreign countries has been at an extraordinarily high level since the end of World War II. In the past decade, 636,000 immigrants, 52 per cent of all those coming to Canada, have settled in Ontario, bringing new trades and skills, their capital and their savings. Never, since the coming of the United Empire Loyalists, has such a high percentage of immigrants chosen Ontario as their place of residence.

But important as immigration has been, it has not been so large a factor in our growth as the increase in our own native-born. Last year, our natural increase was 95,000, nearly four times that in 1939. I well remember the dismal prophecies of the 1930's when Ontario's maximum population was projected at 5 million, not to be reached until 1970. The fact is that our population in this Province is now over 5.3 million, and it is expected to reach 6 million in the early 1960's. The rise in our birth rate, which underlies this growth, has been one of the most remarkable phenomena of this century. In 16 years our birth rate has soared—from 17.3 per thousand in 1939 to 27.1 in 1955—and last year was the highest in our history. The annual number of births has more than doubled. In 1955 there were over 140,000 newborn children in this Province compared with 64,000 in 1939.

When I was at University twenty years ago, I listened to many predictions that the Province of Quebec, in consequence of its higher birth rate, would soon be the most populated province in this Dominion. One hears little of that now, and with good reason. What has happened is this: whereas Quebec's birth rate has increased only moderately over the last decade and a half, Ontario's has surged ahead. All through the 1930's and up to and including 1952, the number of births in Quebec exceeded those in Ontario. During the last three years this situation has been reversed. The number of births in this Province has exceeded those in Quebec; and although their birth rate is still slightly above ours—about 29 per thousand in Quebec to 27 in Ontario—the gap has narrowed perceptibly. Over the last decade and a half our population has increased by the same percentage as Quebec's while our numerical increase has, of course, been appreciably greater.

What has caused this astonishing rise in Ontario's birth rate? Full employment and improved living standards have, of course, played a part. The migration to the suburban areas, where conditions are more favourable to family well-being, has exercised an influence. But, undoubtedly, one of the most important reasons is a basic change in social attitudes toward the family. It has simply become fashionable to have children. The day of the very large family of 7, 8 or 9 children is not being revived, but there is a most conspicuous upward trend in the number of families with 3, 4 and 5 children.

Ontario's population, as I have said, is now over 5,300,000. It has increased by 1.6 million in the last decade and a half. In Ontario's Submission to the Royal Commission on Canada's Economic Prospects a further increase of 700,000 in the next five years is projected, bringing our population to about 6 million by 1961. On the assumption of a continuation of reasonably high levels of immigration and births, it is anticipated that an additional 2.2 million people will be added by 1975, giving us a projected population of 8.2 million people in that year.

The implications of this population growth have major significance to all classes of people, professions, businesses and governments. With the rise in births, the increase in the number of children has far outpaced the increase in other segments of our population. This creates a number of formidable problems, including the provision of educational facilities and teaching staff, to which I shall refer later. At this point I should like to turn to the second factor in our economic expansion, namely, the increase in our labour force and employment.

Since 1939 our labour force has increased from about 1½ million to slightly over 2 million—a rise of 35 per cent. The increase in employment has, however, been more pronounced. Few of us can think back to the 1930's without shuddering at the atrocious waste of manpower and other resources in those days, when unemployment in 1932-33 ran up to nearly 27 per cent of the labour force and even in 1939 averaged over 14 per cent. One of the principal factors in the rise of Ontario's production and living standards since the War has been our ability to maintain, save for brief periods, employment at the remarkably high level of over 97 per cent of the total work force.

At present, the supply of labour, particularly of highly qualified workers, is very tight. It is inevitable, with the increase in our school and pre-school population as well as the relatively rapid rise in the over-seventy age group, that the ratio of our work force to total population would decline. In fact, that group—twenty to sixty-four years of age—which comprises by far the major part of our labour force has been declining in relation to our total population since 1941. The percentage dropped from 59 per cent in that year to 55.5 per cent last year, and this trend is expected to continue downward, reaching 51 per cent about 1970. Were it now for the high rate of immigration and the influx of women into the work force, the labour shortage would be more serious. At present, 25 per cent of Ontario's labour force is composed of females, as against 20 per cent before World War II and 14 per cent at the turn of the century. This declining proportion of labour force to total population imposes an additional load on all workers.

The shortage of engineers and technicians has received considerable attention. But there is also a serious shortage of physicians, physicists, chemists, accountants and virtually all professional classes, even economists. There is a desperate shortage of dentists, and it will get worse before it gets better. It must be borne in mind that while there was a moderate rise in the number of Ontario births during the early War years, the main upward trend did not begin until 1946. A significantly larger out-turn of well-educated experienced personnel cannot, therefore, be expected for another two decades. Thus, barring a serious economic slump, there will be a shortage of highly qualified workers for the next quarter of a century.

I come now to another major factor in our development — capital investment. In the last 16 years, nearly $19 billion has been invested in this Province in new factories, machinery and equipment, commercial buildings, housing, utilities, schools, highways, municipal roads, hospitals, waterworks, sewage plants and similar undertakings. Despite the remarkable expansion which has occurred in all parts of Canada, no province has matched the great business expansion which has occurred in Ontario. Year after year about 37½ per cent of Canada's total capital investment has been made in this Province.

During the war and immediate post-war years, the Province and the municipalities left the field primarily to business enterprise and to essential utilities such as Ontario Hydro, without whose expansion the increase in our productive capacity and living standards could not have been realized. This has been a wise policy, for by adding to our productive capacity and our economic strength we are better able to finance the essential services which the pressure of growth now obliges the Province and the municipalities to undertake. In many of the fields within their jurisdiction, a huge backlog of need has accumulated from the 1930's and the war and immediate post-war years. In the past decade, the number of motor vehicle registrations in this Province has increased by 145 per cent. The number of heavier trucks—those exceeding ten tons—has increased fifteen-fold. Moreover, motor vehicles are now being driven more miles per year. Tourist travel by motor vehicle has also been rising rapidly, adding even further to the need for expanded and improved highways and urban thoroughfares. The existing backlog of capital expenditures on highways and municipal and county roads, resulting from these combined demands, is estimated at $1-¾ billion. If we add to these demands those which will arise from future growth, it is anticipated that an expenditure of about $3 billion will be required for highways and roads over the next decade.

The need for sewerage systems to abate and control pollution and for water works to meet the requirements of industry and residential development is pressing. Good industrial and community housekeeping dictate that the Province and municipalities shall press ahead with these works, which are estimated to cost nearly $2½ billion over the next twenty years and somewhat more than half of this amount in the next decade.

Ontario Hydro is confronted with an immense task. Although it has increased its generating capacity nearly four-fold in the last decade and a half, the end of this expansion is nowhere in sight. The increase in energy generated by Hydro last year alone was 24 per cent—an astounding and completely unexpected advance. Ontario Hydro has projected that its requirements will rise from the present total of about 6 million horsepower to from 10 to 11 million horsepower by 1965 and to between 18 and 21 million horsepower by 1975.

Probably the Province's and municipalities' most important problem is the provision of educational facilities. Whereas in the 1930's the average increase in enrolment in the public elementary and secondary schools was about 6,000 per year, now accommodation must be found annually for nearly 70,000 additional students, an eleven-fold increase. Although the weight of this problem has been increasing each year, there is no relief in sight. The rate of increase in elementary school enrolment is expected to climb until about 1961, while that for secondary schools will continue to rise until about 1971. It will be only after those dates that we will have the satisfaction at least of settling down to a more moderate rate of expansion. Even now, many areas which have been endeavouring to keep up with primary school expansion are hard-pressed to meet the demands for secondary schools, the real impact of which will not be felt for some years.

The universities are faced with a prodigous program of expansion, and increased assistance for their purposes is foreordained. The present full-time enrolment is 22,000 and if facilities and staff can be provided, it is anticipated that this enrolment will double by 1965 and more than quadruple by 1975.

It is gratifying and heartening that the average number of years of schooling is increasing and that each year proportionately larger numbers of pupils emerging from our elementary schools are attending secondary schools and continuing on to their matriculation and university. But all these factors combine to produce about the biggest headache that educationists, the municipalities and the Province have ever faced.

Over the next ten to fiifteen years that can be no let-up in the rapid expansion of accommodation or in the challenging task of recruiting teachers for our educational system. In short, we are in a rather unique period. We are like the man struggling to climb the escarpement. When we reach the top, we may pause for breath and reconsider our position, but for the time being we are engaged in a hard climb which will tax our resources and compel us to concentrate our whole effort on the essential task.

The pressing urgency of these and many other public projects, such as hospitals and conservation works which I have not mentioned, makes it imperative that an orderly program be carried out over a number of years. These services are fundamental to our whole social and economic system. Many, such as highways and municipal roads, make a most direct contribution to reducing production costs. There is no doubt that the flexible scheduling of production and marketing, made possible by the speed and regularity with which goods can be moved over our present highways from one factory to another, has enabled a great part of our manufacturing industry to achieve unit costs of production comparable with those attainable only in the larger and more highly mechanized plants in competing countries.

It is estimated that if the requirements for all these services are met over the next ten years, the combined provincial and municipal expenditures will be $8 billion. To carry out such a large program inevitably involves the raising of additional revenues. In this connection, I may point out that neither the municipalities nor the Provincial Government of Ontario are at present spending as large a percentage of the total provincial product as they were before World War II.

These public service requirements will entail a relatively high level of expenditures on the part of both the Province and the municipalities for many years and will therefore give support and stability to the whole economy. Not that this influence should be exaggerated, for their combined expenditures represent only 9 per cent of the total value of production of goods and services in the Province. Nevertheless, it has in the past exercised—and I have no doubt will continue in the future to exercise—a counterbalancing influence conductive to general economic stability. The importance of promoting the even development of the Province and of avoiding excesses should never be forgotten, and thus I come to the fourth point—and perhaps the most important of all—to which I wish to refer.

It has to do with the maintenance of public confidence. If we learned anything from the 1930's, it was that doubts and uncertainties can confuse and enfeeble the Nation, the Province and its people, while, on the other hand, a confident people can accomplish miracles. For a decade and a half, the mood of the people has been one of great confidence. It was not shaken by the mild recessions during the winters of 1949-50 and 1954-55, and it helped us to weather those economic flurries. Public confidence is therefore a precious element in maintaining a vigorous, fully-employed economy. But it can also be a very sensitive element and may be readily undermined by excesses, whether they involve running into debt beyond our means, misjudging the capacity of the market to absorb our production, or something else.

Our industrial structure is, of course, capable of an enormous volume of production and it tends, on occasion, to produce more goods than, for the time being, can be absorbed in the market. Over the past decade and a half, aided by the backlog of demand left by the war years, there have been relatively few pauses in the upward surge in industrial production. But now much of the froth has been blown off the top of this demand. Many industries have been obliged to readjust to the new conditions and this carries a warning to others.

It is encouraging that an increasing number of businesses are establishing offices to assess economic trends as accurately as possible and particularly those relating to the absorptive capacity of the market for their output. A number of industries have also made gratifying strides in diversifying their operations and taking other special measures to avoid seasonal unemployment. The volume of unemployment in Ontario during the winter months is double that during the balance of the year. The construction industry, among others, has made many praiseworthy efforts designed to regularize employment the year round. All these serve to reinforce economic stability and public confidence.

It is inevitable that in a swiftly-moving economy, there will be dislocations, occasional unemployment and loss of income. We cannot expect a trouble-free economy. What all of us must endeavour to do is to see that when some sectors of industry are contracting others are expanding, so that the whole economy is kept moving forward, employing the full resources of our people. To this end, we will need imagination, enterprise, the capacity for adaptability and public confidence.

We in Ontario are blessed with exceptional opportunities, which carry with them a great challenge to make our free enterprise system work. Even the most phlegmatic person would acknowledge that both our short-run and long-run futures are exceedingly bright. The decline in farm income, which has persisted since 1951, was arrested last year and with the growth in population, it is difficult to be pessimistic over its long term prospects. The future of forestry and mining, related as it is to the growing demand and diminishing resources of the United States, is extremely promising.

The recent discoveries of massive quantities of uranium, iron and base metals have changed the whole character of Ontario mining. Gold has lost its supremacy to nickel and copper. The value of iron ore output has increased a hundredfold since before World War II, and is continuing to expand. The Province's uranium discoveries have been among the most spectacular developments in our whole history. Spelled out in the value of capital investment and general economic development they will be of the utmost significance. Already Ontario uranium mines have purchase contracts for an amount exceeding half a billion dollars. In forestry, technology is constantly providing new opportunities for the use of wood. The bonding of lumber is a case in point. By means of this process, small pieces of wood may be glued together to form panels in a variety of sizes and shapes. Based partly on greater use of hardwoods, newsprint production is continuing to expand but even more striking increases are occurring in the output of paperboard, wrapping, tissue, book and writing papers. The paper industry presents a picture of increasing diversibility and viability.

As the site of half of Canada's manufacturing industry, Ontario is far more than a hewer of wood and a drawer of water. It is true that we cannot share in some of the advantages which arise from the economies of the division of labour resulting from serving a mass domestic market, but we have made up for many of them by other means, as our advanced processing and fabricating industries clearly show. And we can continue to improve our position by achieving higher levels of technical skill, by greater enterprise and research and by so planning our communities as to reduce industrial costs. In this way, we can move forward towards a greater diversification and industrial balance that will make us less vulnerable to the vicissitudes of technical change and shifts in external demands that plagued us in the 1930's. It is in this direction that higher living standards lie. Obviously, we cannot be content to stand still. We have made great gains over the last fifteen years and there is no reason why we should not surpass them in the future.

THE EMPIRE CLUB OF CANADA, TORONTO, ONTARIO
REPORTS AND ACCOUNTS

4th July, 1956.

The President and Members of the Executive Committee,
The Empire Club of Canada,
Toronto, Ontario.

GENTLEMEN,

We have examined the books and accounts of The Empire Club of Canada, Toronto, Ontario, and have prepared and attach hereto a Statement of Receipts and Payments for the year ended 30th April, 1956.

We report thereon as follows:—

Membership Fees:

We are satisfied that, in total, all 1955-56 fees receivable from Members on record as in good standing as at 30th April, 1956, have been accounted for.

The uninvested balance of Life Membership Fees received during the fiscal years 1953, 1954 and 1955 amounting to $187.50 and the Life Membership Fees received during the fiscal year 1956 amounting to $150.00 were invested during the year in Government Bonds as required by the Agreement reached at a meeting of the Officers and Committee Members of the Executive held on 15th April, 1953.

Membership Roll:

Following is a summary of the Membership Roll for the year:

	Resident	*Non-Resident*	*Honorary and Life*	*Total*
Membership Roll as at 30th April, 1955	1,964	100	24	2,088
Net Increase or Decrease	98	5	2	95
Membership Roll as at 30th April, 1956	2,062	95	26	2,183

The Treasurer has certified that the Roll as at 30th April, 1956 contained 2,183 Members as above.

Payments:

All payments made during the year were authorized by the Executive Committee.

Liabilities:

Mr. H. R. Lawson, the Chairman of the Finance Committee, has certified that there were no outstanding accounts as at 30th April, 1956.

Fidelity Bond:

Mr. W. W. Comber, the Treasurer, is bonded for $1,000.00.

Insurance:

Office Furniture is covered by a fire insurance policy in the amount of $485.00.

Acknowledgment:

We express our appreciation of the courtesy and assistance extended to us by the Treasurer during the course of our audit.

Reported by,

H. T. JAMIESON, LEMAY & COMPANY,
CHARTERED ACCOUNTANTS,
Honorary Auditors.

THE ANNUAL FINANCIAL STATEMENT

RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH APRIL, 1956

Cash on Hand and in Bank as at 30th April, 1955				$3,203.84
Current Receipts:				
Membership Fees		$10,611.00		
Proceeds from Sale of Year Books		33.40		
Interest:				
On Investments	$ 64.09			
On Bank Balance	127.53	191.62	$ 10,836.02	
Current Payments:				
Luncheon Expenses net of proceeds of sale of tickets		$ 1,134.55		
Honoraria:				
Secretary	$ 800.00			
Treasurer	300.00	1,100.00		
Miscellaneous Expenses		315.83		
Printing, Stationery and Postage		4,040.13		
Printing 1954-1955 Year Book		2,989.76		
Recording and Publicity		215.45		
Speakers' Fees and Expenses		397.25		
Telephone and Telegraph		137.98	10,330.95	
Excess of Current Receipts over Current Payments				505.07
Life Membership Fees received				150.00
				$3,858.91
Investment of Surplus Funds and Life Membership Fees:				
Purchase of $1,500.00 Par Value Dominion of Canada 3% Bonds maturing 1st September, 1966				1,490.50
Cash on Hand and in Bank as at 30th April, 1956				$2,368.41

We report that we have examined the books and accounts of The Empire Club of Canada, Toronto, Ontario, for the year ended 30th April, 1956 and have obtained all the information and explanations we have required and that, in our opinion, the above Statement shows correctly the Receipts and Payments of the Club for the year ended 30th April, 1956.

In addition to the Cash Balance of $2,368.41 the Club held at 30th April, 1956, $3,200.00 Par Value Dominion of Canada 3% Bonds maturing 1st September, 1966.

At 30th April, 1956, the Club was committed to publish the 1955-56 Year Book at an estimated cost of $3,450.00.

H. T. JAMIESON, LEMAY & COMPANY,
CHARTERED ACCOUNTANTS,
Honorary Auditors.

Toronto, Ontario.
4th July, 1956.

OFFICERS AND EXECUTIVE COMMITTEE

1956-57

Honorary President: FIELD MARSHAL THE RIGHT HONOURABLE EARL ALEXANDER OF TUNIS

Officers:

President: DONALD H. JUPP, O.B.E.
First Vice-President: LT. COL. W. H. MONTAGUE, O.B.E., E.D.
Second Vice-President: BRUCE J. LEGGE
Third Vice-President: HAROLD R. LAWSON
Secretary: ERNEST MILES
Hon. Treasurer: W. W. COMBER, C.A.
Hon. Secretary: R. FORD RALPH
Asst. Secretary: DR. CLARENCE B. CRUMMEY
Hon. Auditor: H. T. JAMIESON, F.C.A.

Executive Committee:

IAN BAXTER
ROYD E. BEAMISH
DOUGLAS BEST
CONTROLLER F. JOSEPH CORNISH, Q.C.
DR. HAROLD V. CRANFIELD
S. S. FLETCHER
MARVIN GELBER
WARREN B. HASTINGS
LT. COL. N. D. HOGG, M.B.E., E.D.
H. R. JACKMAN
J. PALMER KENT, Q.C.
FRANK B. MCGILLION
ALD. HAROLD MENZIES
Z. S. PHIMISTER
DAVID J. ROCHE
BRIGADIER W. S. RUTHERFORD, E.D.
R. BREDIN STAPELLS
ALEXANDER STARK, Q.C.

Immediate Past President:

DR. C. C. GOLDRING

Past Presidents:

JOHN W. GRIFFIN
ARTHUR E. M. INWOOD
JAMES H. JOYCE

CONSTITUTION

INSTITUTED 1903

THE OBJECT OF THE CLUB IS THE ADVANCEMENT OF THE INTERESTS OF CANADA AND A UNITED EMPIRE

Organization of the Club and Branches

Art. 1.—(1) The organization shall be called The Empire Club of Canada.

(2) Branches of the club may be established with the authority of the Executive Committee, and subject to such conditions and regulations as may from time to time be decided upon by the Club in Toronto.

(3) A committee may be appointed under the provisions of sub-section 2, article 1, for the establishment of branches of the Club, and the word "Unit" shall denote a Branch.

Classes of Members

Art. 2.—The Membership of the Club shall consist of

(a) Active Resident Members,
(b) Non-Resident Members,
(c) Life Members,
(d) Honorary Members,
(e) Associate Members,
(f) Corporate or Sustaining Members.

All members must be of the full age of sixteen years, and members of classes (a), (b), (c), (d) and (f) must be British subjects.

Active Resident, Non-Resident and Associate Members

Art. 3.—(1) Candidates for Active Resident, Non-Resident and Associate Membership shall be proposed and seconded by two members of the Club in good standing, and shall be elected by a two-thirds majority of those present at any meeting of the Executive Committee.

(2) Subject to sub-section 4 of this article Active Resident and Associate members shall pay an annual fee of $5.00 and Non-Resident members $3.00, payable on or

before the first day of October in each year. Payment of such fees shall entitle each member to receive a copy of the Year Book. No member in arrears for fees or dues shall be considered in good standing or be eligible for office.

(3) Associate members shall not have the privilege of voting or holding office.

(4) Members whose applications for membership are received after the first day of April in any year shall pay one annual fee only in respect of the period from that time till the 30th day of September in the following calendar year.

Life Members

Art. 4.—(1) Life Members, not exceeding ten in any one year, may be elected from time to time, at an open meeting of the Club, upon the recommendation of the Executive Committee. Provided, however, that Ministers of the Federal Parliament and Premiers of the different Provinces of the Dominion of Canada may be eligible for election at any time, even though their election may cause the number of Life Members to exceed ten in one year.

(2) Life Members shall pay a fee of $75.00 in one sum.

Honorary Members

Art. 5.—(1) Honorary Members may be elected upon the recommendation of the Executive Committee, and at a general meeting of the Club.

(2) Honorary Members shall be exempt from the payment of fees, but shall not have the privilege of voting or holding office.

Corporate or Sustaining Members

Art. 5A—Any company, partnership or business organization shall be eligible for election as a Corporate or Sustaining Member. Applicants shall be proposed by two Active Resident Members of the Club in good standing and the application shall contain the name and position of the Officer nominated by the Applicant as its Candidate for membership. The Applicant and its Nominee shall be elected by a two-thirds majority of those present at any meeting of the Executive Committee. A Sustaining or Corporate Member shall pay an annual fee of $50.00 which shall include the fee of its representative member.

Officers to be Elected

Art. 6—(1) The officers of the Club shall consist of an Honorary President; a President; First, Second and Third Vice-President; an Honorary Treasurer, or a Treasurer, or both; an Honorary Secretary or a Secretary, or both; an Executive Committee which shall consist of the officers appointed under this Article and 17 other members, who, with the officers, shall be elected by ballot, and of the ex-officio members hereinafter mentioned. There may also be elected an Assistant Secretary and Assistant Treasurer. Three Past Presidents together with the immediate Past President shall be the ex-officio members of the Executive Committee for the ensuing year.

Election of Officers

(2) The election of Officers of the Club shall take place at a general meeting of the members, to be held not later than April 30 of each year, at a date to be decided upon by the Executive Committee, and this meeting shall be deemed to be the Annual Meeting. The Officers and Executive Committee then elected shall hold office until April 30th, of the following year, and thereafter until their successors respectively have been duly elected and installed. A Nominating Committee consisting of five members of the Executive Committee and four other members (this Committee shall select its own Chairman) shall be appointed by the Executive Committee and approved at a regular or special meeting of the Club not less than four and not more than six weeks before such Annual Meeting, due notice of such regular or special meeting to be given to all members in good standing, and such Committee shall report to the Annual Meeting. If nominations do not exceed the number of the officers and members of the Executive Committee necessary under the

Constitution, the President shall instruct the Secretary to cast one ballot in favour of those so nominated and thereupon such persons shall be declared by the President to have been duly elected.

(3) An Auditor or Honorary Auditor shall be elected at each Annual Meeting.

Standing Committees

(4) Standing Committees shall be appointed as follows:

(a) Budget and Finance Committee.
(b) Speakers' Committee.
(c) Membership Committee.
(d) Constitution Committee.
(e) Luncheon and Reception Committee.
(f) Publicity Committee.
(g) Year Book Committee.

Filling of Vacancies Among Officers

Art. 7.—In the event of an office becoming vacant by death, resignation, or otherwise, the vacancy thus caused shall be filled by the Executive Committee and the person so chosen shall hold office until the next Annual Meeting.

Duties of Officers

Art. 8.—The duties of the Officers shall be those customary to such positions in similar organizations.

Holding of Meetings

Art. 9.—(1) The Club shall hold general meetings weekly, if possible, from October to April, both inclusive, in each twelve months with such intermissions as from time to time may be decided upon.

(2) At the Annual Meeting a report of the year's proceedings and work shall be submitted by the President, and this report shall be accompanied by an interim report from the Treasurer. An audited statement of the finances of the Club for the full financial year shall be published in the Year Book.

Notice of Meetings

Art. 10.—Written or printed notices of all meetings shall be given to the members of the Club. Such notices shall be sufficient if addressed to the members, and deposited post paid in the post office in Toronto.

Quorum at Meetings

Art. 11.—Fifteen members in good standing shall constitute a quorum at any meeting of the Club, general, annual or special, and the presiding officer shall have a casting vote. Nine members shall form a quorum of the Executive Committee.

Limitation of Business at General Meetings

Art. 12.—No business other than the hearing of the addresses and notices of motion shall be introduced at any meeting of the Club, unless it has been submitted to the Executive Committee and received its approval.

Calling of Special Meetings

Art. 13.—Meetings of the Executive Committee shall be called by the President, or on a requisition signed by three of its members. Special meetings of the Club may be called by the President, and shall be called by him on a requisition signed by twelve members and stating the object of the meeting. This object shall be stated in the notice calling the special meeting.

Financial Year

Art. 14.—The Financial Year of the Club shall begin on the first day of May in each year and end on the thirtieth day of April in the year following.

Amendments to Constitution

Art. 15.—This Constitution may be amended at the Annual Meeting, or at a special meeting called for that purpose, subject to a two thirds majority vote of the members present.

MEMBERSHIP

as at April 30, 1956

LIFE MEMBERS

Bruce, Hon. Dr. Herbert
Clouse, F. L.
Cobham, Arthur H.
Coombs, F. J.
Cosens, Gordon G.
Eaton, Donald L. H.
Gibson, D. H., C.B.E.
Gordon, Crawford Jr.
Hough, Thomas Edward
Johnston, Wm. D.
MacKendrick, Col. W. G.
MacNames, Nelson L.
Maher, James P.
Murdoch, J. Y., Q.C., LL.D.
Ridley, John B.
Sandy, J.
Scythes, J. A.
Stapells, R. A.
Suchorab, S. A.
Thomson, Garth O.
Thomson, K. R.
Tindall, H. B.
Wilson, Col. J. E.

HONORARY MEMBERS

Geary, Major B. Handley, V.C.
Gillespie, Lt.-Col. George H.
Stapells, H. G., Q.C., M.A.

NON-RESIDENT MEMBERS

Alexander, R. W.
Atton, C. C.
Bailey, B. W.
Ball, B. W.
Barber, John R.
Bateson, Dr. Sydney
Beatty, Dr. S. R.
Beaumont, Arthur
Begley, Geo. E.
Bennett, J. H.
Bonnett, Albert A.
Bradley, Bruce H.
Bradley, E.
Butler, N. E.
Campbell, C. B.
Carleton, Dr. H. G.
Coppin, T. H.
Cornell, Charles R.
Cranstoun, John A.
Davey, J. H.
Davidson, George MacK.
Davis, Cyril A.
Drew, Hon. Geo. A.,
P.C., Q.C., M.P.
Dunlop, J. Gordon
Dutton, B. A.
Elliott, E. A.
Foley, Major A. J., M.B.E.
Fullerton, James John
Gilbert, C. A.
Grant, J. W.
Halbus, Prof. Frank
Ham, C. N.
Hannon, Dr. J. W. G.
Hill, Percy C.
Howsam, Air Vice Marshal,
G. R., C.B., M.C.
Hughes, Gordon R.
Hunter, Lt.-Col. F. Fraser
Hutcheson, Frank W.
Hyde, F. C. W.
Jackson, George B.
Johnston, R. C.
Kennedy, A. P.

Kidd, Hon. T. Ashmore
Kimpton, J. R.
Krause, Edwin H.
Leather, Harold H.
Legge, Rev. Garth
Leyden, C.
Line, Reginald H.
MacKellar, J. F.
MacLennan, H. Alexander
Manbert, Ray R.
Marshall, Dr. M. R.
Massey, Denton
Mathews, C. K.
Maxwell, Rev. Gordon S., B.A.
McCrae, W. H.
McLaughlin, Col. R. S.
Mitchell, Robert N.
Moffat, John A.
Moller, George
Monsarrat, Nicholas
Morgan, James C.
Morrison, D. M.
Mulligan, Rev. William Orr
Murison, R. A. J.
Nelson, Dr. Claud A.
Newman, J. M., M.P.P.
Nixon, Stanley E.
Oakie, Alfred U.
Opie, R. P.
Ostrom, W. R.
Over, Spencer Henry, C.A.
Paynter, W. C.
Perry, John Wm.
Preston, Walter A.
Pugsley, T. Aubrey
Rackley, Frank B.
Raycroft, R. I.
Rice, H. E.
Rickwood, George
Rogge, H. H.
Rolland, Lucien G.
Scott, Wilfred R.
Sherk, Frank T.
Spence, J. Drayton
Spence, Dr. W. A.
Spooner, J. W.
Stokes-Rees, Cdr. R. H.
Temple, G. H.
Thompson, E. F.
Thomson, J. R.
Wallace, H. C.
Weeks, A. L.
Wideman, Harvey
Wilson, Thomas L.

RESIDENT MEMBERS

Abaroa, Enrique
Abbey, Robert
Abbs, Charles E.
Abel, David F.
Abernethy, Lt. Col. W. W.
Adair, Herbert E.
Adams, G. W.
Adams, H. R.
Adams, J. C.
Adams, W. Bruce
Adamson, Edwin F.
Adamson, Walter
Agar, Norman E.
Aggett, Arthur H.
Aitchison, R. J.
Alban, Arthur
Alberts, Edgar T.
Aletter, Howard G.
Alexander, Lt. Col. P. Norman
Alexander, Robert
Allan, A. David
Allanson, Harry E.
Allen, Ivan V.
Allingham, N. W.
Althouse, J. G.
Ambridge, D. W.
Ambrose, Philip J.
Ander, J.
Anderson, C. Harry
Anderson, Donald S.
Anderson, J. Murray
Anderson, J. P.
Anderson, Ross
Andrew, Archdeacon G. A.
Andrew, George.
Angus, E. R.
Angus, W. Harry
Annett, D. R.
Anthony, R. F. K.
Appert, R. J.

Appleton, C. N.
Archard, A. S.
Archbold, William D.
Argue, D. R.
Armstrong, Howard L.
Armstrong, Robert L.
Armstrong, W. E.
Armstrong, W. G.
Ash, W. M. V.
Ashbury, Ivan H.
Ashby, V. W.
Ashford, Rev. H. E. D., D.D.
Ashforth, A. C.
Ashley, Sidney E.
Ashton, Arnold
Askin, R. J.
Assheton-Smith, J. E.
Atherton, C.
Atkinson, Roy
Aylward, J. W.

Babbitt, G. W.
Babcock, Harold A.
Baggs, Rev. A. R., D.D.
Bagshaw, B. F.
Bailey, Fred T.
Bailey, John Arnold
Bailey, William Gill
Baillie, Geo. H.
Bainard, R. H.
Baker, Albert G.
Baker, Col. E. A.
Baker, E. G.
Baker, G. H.
Baker, George W.
Baker, John R.
Baker, S. R.
Baker, Samuel H.
Balcon, J.
Baldwin, Charles O.
Balfour, Vincent
Bammer, Dr. W.
Band, Charles S.
Band, John T.
Bannock, Russell
Barber, William
Barclay, D. F.
Barclay W. C.
Bark, W. A.
Barnard, E. A.
Barrett, Franklin L.
Barrett, R. J.
Bassett, John
Bate, William B.
Bateman, J. R. A.
Bates, Dr. Gordon
Bates, G. H.
Bates, William D.
Batten, G. A.
Batten, Reg. A.
Bawden, H. N.
Baxter, Ian St. C.
Baxter, Major James
Bealey, Ernest R.
Beamish, Royd E.
Beattie, L. S.
Beatty, D. S.
Bedolfe, Robert D.
Beeston, George H.
Begin, Douglas O.
Bell, Lt.-Col. Arthur A.
Bell, Cecil B.
Bell, Eric A.
Bell, Floyd
Bell, Geo. T.
Bell, J. R.
Bell, Dr. Leslie
Bell, Stewart C.
Bellmore, Herbert J.
Belyea, Controller Roy E.
Bennett, A. B.
Bennett, David T.
Bentley, A. F.
Berkinshaw, R. C.
Berry, Harry H.
Berry, J. Wilson
Besley, E. H.
Best, Douglas W.
Best, F. M. S.
Best, Gordon H.
Best, T. Harrison
Best, T. W.
Betts, D. Clive
Bick, C. O.
Biggs, G. L.
Bird, S. J.
Birdsall, E.
Birge, Charles A.
Birrell, Dr. Russell G.
Bishop, H. H.

Bishop, Percy W.
Bishop, Samuel S.
Blachford, H. Arnold
Black, David
Black, James
Blackhall, Victor C.
Blackwell, H. W.
Blackwell, Hon. Leslie E., Q.C.
Blair, J. A.
Blair, S. M.
Blake, Parker G.
Blanchard, H. A.
Blenkinship, C. S.
Blue, M. F.
Boehm, A. Fred
Boland, John B.
Bolger, H. N.
Bolsby, P. J., Q.C.
Bond, H. B.
Bongard, Gordon R.
Bonus, John L.
Bonyun, Denis F.
Bookman, Fred
Booth, C. W.
Booth, E. H.
Borins, Norman
Bosley, W. H.
Bosnell, G. M.
Bosworth, N. L.
Bottrill, E. A.
Bourke, T. J.
Bourne, F. R.
Bourne, J. H.
Bourne, T. W. H.
Boyd, John A., Jr.
Boyd, LeRoy
Boyko, Joseph, LL.D.
Boyle, H. J.
Boylen, Major J. C.
Boyles, Thomas A.
Bradbury, T. J.
Bradley, H. R.
Bradley, M. E.
Bradley, S. J.
Bradshaw, Alec.
Bradshaw, M. A.
Bradt, Leo W.
Brain, George M.
Branson, C.
Breckenridge, R. J.
Breeze, H. R.
Brethour, E. J.
Brett, Harold O.
Breuer, K.
Brisbin, Rev. F. G.
Brockie, W. G.
Brockington, L. W., C.M.G., Q.C., LL.D.
Brocklebank, Frank
Brockwell, Meredith R.
Bronsdon, H. H.
Brown, Duncan G.
Brown, F. Irving
Brown, Harold A.
Brown, James N. M.
Brown, J. Somerville
Brown, Murray
Brown, Ross S.
Brown, Stuart H., Q.C.
Brown, T. B.
Brownlee, H. M.
Bruce, A. W.
Bryant, E. W.
Bryce, Robert A.
Bryers, Brandon
Buchanan, W. Wallace
Buck, Dr. C. A.
Bullock, G. F.
Burden, E. K. G.
Burden, John M., Q.C.
Burgess, Horace T.
Burk, John B.
Burke, E. T. C.
Burke, H. Gwynne
Burn, Kenneth
Burnand, Lewis B.
Burnard, F. S.
Burne, G. F.
Burnett, E. R.
Burnham, Arthur
Burnham, Dr. H. H.
Burns, Chas. F. W.
Burns, H. D.
Burns, Lesslie J. W.
Burns, R. L.
Burnside, E. G.
Burton, C. L.
Burton, E. G.
Burton, Lt.-Col. G. Allan
Bush, Clayton E.

Bushnell, Wm. J.
Buss, Capt. J.
Butler, W. Chester
Buyers, Russell W.
Byers, E. S.
Byrne, J. C.

Cadesky, L.
Cadsby, Jack David
Calder, B. R.
Calladine, Eric A.
Calvert, A. Morrison
Calvert, H. R.
Calvin, C. C., Q.C.
Cameron, E. Rodney
Cameron, Harry
Cameron, Robert C.
Camken, L. A., M.B.E.
Campbell, Brig. Colin A.
Campbell, D. G. A.
Campbell, E. M.
Campbell, Hon. Peter
Cannon, Dr. C. F.
Cannon, C. J.
Caplan, Isadore
Cappe, N. R.
Carey, A. R.
Carl, Gordon A.
Carlisle, D. C.
Carlo, John C.
Carlyle, D. B.
Carnegie, F. T.
Carnegie, Lt. Col. G. W., C.D.
Carr, E. P.
Carradus, Capt. H. R.
Carrick, Donald D., M.P.
Carrie, F. S.
Carscallen, H. M., Q.C.
Carson, C. E.
Carson, James L.
Carson, R. B.
Carswell, Wm. F.
Carter, A. S.
Carter, F. H.
Carter K. LeM.
Carter, W. M.
Cartwright, T.
Cary, Reginald
Case, Everett J.
Cassels, Gordon T.
Cassels, W. P.
Casson, Richard
Catto, James A.
Caulder, J. A.
Cavell, H. E.
Chadburn, T. W.
Chalmers, Floyd S.
Chambers, D. L.
Chambers, H. J. A.
Chambers, Joseph A.
Chandler, David L.
Chapman, S. F.
Chappell, H. L.
Charles, Leo E.
Charlois, Maurice
Chatterton, W. G.
Chenoweth, Dr. T. Oswald
Cherry, Robert
Chester, Lane R. C.A.
Chisholm, John
Chop, Edward M.
Chorlton, John M.
Christopher, W. H.
Church, John A.
Clapperton, Gordon, S.
Clark, A. S.
Clark, George F.
Clark, J. A. P.
Clark, John G.
Clark, Robert F.
Clark, W. H.
Clarke, John A.
Clarke, Richard L.
Clarke, Victor L.
Clarkson, John
Clemes, J. C.
Cleminson, F. G.
Cleminson, L.
Clinkard, Herbert S.
Clinkard, John W.
Cochran, H. E.
Cochrane, J. M.
Cockburn, Blake A.
Cockburn, R. N.
Cockell, J. Horace
Coke, Major E. F.
Colberg, A. M.
Colby, S. A.
Cole, Sydney
Cole, T. F. C.

Colebrook, H. G.
Coleman, M. W.
Coles, Gordon E.
Coles, Kenneth E.
Colnett, Ronald H.
Comber, W. W., C.A.
Commins, F. C.
Connell, J. H. E.
Connolly, C. P.
Conquergood, C. R.
Coo, H. Douglas
Coo, N. Douglas
Cook, Douglas H.
Cook, F. Gordon, Q.C.
Cook, H.
Cooke, James L.
Coombs, Rev. John A.
Coon, B. R.
Cooper, Chas. F. W.
Copeland, W. M.
Copping, Harry, M.I.E.E., P.ENG.
Corbett, H. Milton
Cork, J. Milton
Cornish, Controller F. Joseph
Cornish, Prof. G. A.
Corrigan, Lt.-Col. C. A., D.S.O., V.D.
Corrigan, J. H.
Corrigan, John S.
Corson, C. R.
Corson, R. R.
Cosford, E. J.
Cosgrave, Rev. Dr. F. H.
Costigane, J. P.
Cottrell, W. L.
Coulter, J. E.
Coulter, W. Howard
Coupland, Walter C.
Courtice, A. Roy
Courtright, J. M.
Coutts, William E.
Cowan, O. D.
Cowan, P. J.
Coward, Laurence E.
Cowling, H. J.
Cox, John R.
Craddock, J. D.
Craick, W. A.
Craig, George H.
Craig, Lt.-Col. J. A. D., O.B.E., E.D.
Craig, J. L.
Cranfield, Dr. Harold V.
Crang, J. H.
Crashley, Lt. Col. J. D., C.D., A.D.C.
Crawford, E. S.
Crawford, F. J.
Crawford, G. B.
Crawford, J. K.
Crawford, N. R.
Creber, Kenneth J.
Creighton, Arthur H.
Cresswell, H. A.
Creswell, James A.
Crighton, A. S.
Crombie, David B.
Croombs, William J.
Cross, William B.
Crossin, H. W.
Crossingham, J. H.
Crossley, C. J.
Crotty, T. Gordon
Cruickshank, C. A.
Cruickshank, G. C.
Crummey, Dr. Clarence B.
Culnan, Dr. G. F.
Curran, H. E.
Curren, A. H.
Currie, George
Currie, H. D. G.
Curry, T. E.
Curtis, Gordon
Curtis, G. H.
Cuthbertson, Gordon

Dadson, A. S.
Dagg, H. M.
Dale F. Ralph
Dale, R. G., D.S.O., D.F.C., C.D.
Dales, Robert L.
Daley, Thomas S.
Dalton, C. O.
Dalton, William H.
Daly, R. A.
Darroch, J. J.
Davidson, Jack M.
Davies, David

Davies, Rev. Emlyn
Davies, F. H.
Davies, Rev. F. V.
Davies, H. E.
Davies, J. B.
Davies, Dr. John B.
Davies Russell C.
Davis, Bertram N.
Davis, C. B.
Davis, E. R., B.SC., B.ENG.
Davis, George A.
Davis Hilliard L.
Davis, R. Reade
Davis, Walter W.
Davison, Martin A.
Dawson, Isaac
Dawson, J. H.
Dawson, W. M.
Day, Robert E.
Day, W. D.
Deacoff. G. A.
Dean, Harold B.
Dean, R. H.
Deans, M. C.
Dearlove, Frank E.
Dedman, Arthur M.
Deeks, Douglas B.
DeGuerre, Fred L.
Denison, J. C.
Dennehy, H. M.
Derry, Duncan R.
Despard, W. H.
DE Veber, L. S.
Devine. Frank
Dew, G. Arthur
Dewar, A. M.
DeWitt, H. N.
Dibbs, S. Owen, O.B.E.
Dickey, A. J.
Dickinson, Dr. C. H.
Dickinson, Leon R.
Dierlam, Howard
Dies, W. C.
Dilworth, W. A.
Dingle, Lloyd E.
Dingman, Robt. A. C.
Diven, Robert E.
Dix, Maurice B.
Dix, William B.
Dixon, A. B.
Dixon, B.
Dixon, Geo. L.
Dixon, J. W. M.
Dodd, George W. W.
Dodd, R. N.
Doherty, Jas. H.
Doke, M. E.
Dolson, Dr. Wilbur J. M.
Donaldson, John
Doody, V. J.
Douglas, D. W.
Dowsett, Robert C.
Draimin, Charles
Draper, B. M.
Drew-Brook, Maurice D.
Drummond, Harry Gordon
Drury, G. M.
Dubin, C. L., Q.C.
Duckworth, K. J.
Dudley, A. H.
Duff, John M.
Duffett, Norman G.
Duffy, W. E.
Dunbar, Arthur W.
Duncan, James S.
Dunkelman, D.
Dunlap, D. M.
Dunlop, R. Hugh
Dunlop, W. A.
Dunlop, Hon. W. J.
Dunn, James M.
Dunn, William
Dutton, Thomas M.
Dye, Harold E.
Dye, R. A. E.

Eade, Edgar
Eager, King
Eakin, Joseph S.
Easterbrook, James M.
Eastmure, A. W.
Eaton, Col. R. Y.
Eckler, Samuel
Edwards, A. Geoffrey, F.C.A.
Edwards, C. A.
Edwards, H. Percy, F.C.A.
Edwards, James H.
Ekblad, Ronald F.
Elder, C. K.
Elgart, V.
Elgie, G. C., Q.C.
Elliott, B. V., Q.C.

Elliott, Charles R., C.A.
Elliott, G. N.
Elliott, Harold H.
Elliott, H. J.
Elliott, W. Earle
Ellis, C. Q.
Ellis, J. J.
Ellis, Matthew T.
Ellis, R. M.
Ellison, H. H.
Elton, J. O.
Ely, Edward H.
Ely, R. M.
Emmert, T. J.
Emond, Douglas L.
Empringham, John R.
Engholm, F. G.
Enman, H. L.
Entwistle, John S.
Epstein, H. B.
Epstein, Morris H.
Ethell, H.
Etherington, F. C.
Evans, S. T.
Ezrin, Maurice
Ezrin, Sydney

Faber, George
Faber, R. W.
Faessler, Charles
Fairclough, R. P.
Falkiner, F. H.
Fallis, Clare R.
Faludi, E. G.
Farrell, J. J.
Faulkner, J. Farley
Fennell, T. T.
Fenwick, Dr. G. Roy
Ferguson, D. W.
Ferguson, George S. P.
Ferguson, Gordon F.
Ferguson, H. M.
Ferguson, Marshall
Fern, G. W.
Fessenden, C. V.
Field, R. W. A.
Findlay, Major D. M.
Findlay, William
Finley Morley C.
Firstbrook, Hugh M.
Fisher, A. B.
Fisher, A. J.
Fisher, Frank
Fisher, J. W.
Fishman, Philip
Fitzgibbons, J. J. Jr.
Flavelle, Sir Ellsworth
Fleming, Donald M., M.P.
Fleming, Robert
Flemington, Frank P.
Fletcher, S. S.
Flint, Lyman G. B.
Flower, Dr. G. E.
Fodor, Nicholas
Fogarty, Bruce A.
Foord, A. E.
Foord, Lionel H.
Forbes, Lewis J. B.
Forrester, William J.
Forster, F. E.
Forsyth, C. D.
Fox, John H.
Francis, T. R.
Frankel, Egmont L.
Frankel, Roy H.
Fraser, Edison
Frastacky, R.
Frazer, A. W.
Freedman, Bernard
Freyseng, Willis P.
Friesen, Edward J.
Frisby, Frank W.
Frost, C. Sydney
Frost, C. Sydney, Jr.
Frost, Harold R., Q.C.
Fry, David
Fry, H.
Fulcher, Victor H.
Fullerton, John
Funston, R. O.

Gairdner, J. A.
Galbraith, C. W.
Galbraith, G. B.
Galloway, Charles T. P.
Gardiner, F. G., Q.C.
Gardiner, George C.
Gardiner, Percy R.
Gardner, R. J. Currie
Garrett, Albert H.
Garside, S. T.
Gaskell, Ian M.

Gassard, H. L.
Gates, George H.
Gaunt, J. William
Geale, Beverley B.
Geggie, Thomas P., C.A.
Gelber, Marvin B.
Geller, John A.
Gemmell, John S.
Genovese, Frank A.
Gentry, D. S.
German, V. C.
Gerow, Frank T.
Gerstein, Bertrand
Gianelli, Brig. Norman A.
Gibbens, W. M.
Gibson, J. Douglas
Gibson, Robert C.
Gilbride, W. P.
Gilchrist, Dr. A. J.
Gilchrist, Prof. Lachlan
Gilchrist, L. A.
Giles, T. S. H.
Gill, Capt. Cecil
Gillespie, A. Grant
Gillespie, J.
Gillespie, Ross R.
Gillespie, T. B.
Gillespie, William
Gillingham, W/C Harold G.
Glennie, George H., C.A.
Godfrey, Frank
Godsoe, J. Gerald, C.B.E.
Gohn, Byron E.
Goldring, Dr. C. C.
Goldring, C. Warren
Goldring, Dr. L. W.
Goldsmith, Martin
Gooderham, F. L.
Gooderham, Lt.-Col. Melville S.
Goodfellow, Bruce
Gooding, M. E.
Goodman, Edwin A.
Goodman, Fred C., C.A., M.C.
Goodwin, Harley D.
Gordon, Rev. D. H.
Gordon, E. W.
Gordon, K. E.
Gordon, William E.
Gore, Graham M.
Gorham, John
Gorrie, T. G.
Gowdy, Douglas M.
Graham, D. M.
Graham, Dr. Howard
Graham, J. Lindsay
Graham, J. Rennie
Graham, Kingsley, Q.C.
Graham, Walter T.
Grainger, R. N.
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Grant, James A.
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Grant, W. G. F.
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Gray, William A.
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Graydon, J. B.
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Green, Joseph L.
Green, Robert M.
Gregg, L. T.
Greig, Rev. J. R.
Griffin, H. A.
Griffin, John W.
Griffiths, F. D.
Grimbly, Maurice
Grose, George W.
Guest, A. E.
Gundy, C. L.
Gunn, Andrew D.
Gunn, Major General John A.
Gunn, Robert F.
Gunyon, C. Cecil
Guyot, Major Roger

Hadden, Eugene R.
Hagerman, Dr. A. R.
Hagon, W. A.
Hahn, George
Hall, Howard A.
Hall, Lt.-Col. I. C.
Hall, J. F.
Hall, W. George
Hall, William
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Hallarn, W. J.
Halls, Peter E.

Halsey, P. J.
Hambly, Herbert
Hamilton, A. E.
Hamilton, Alex S.
Hamilton, C. S.
Hamm, R. M.
Hammell, J. E.
Hammond, S.
Hancocks, Oliver
Hanmer, J. D.
Hanna, Wm. B.
Hanson, E.
Harbinson, V. D., F.C.A.
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Harding, Thomas
Hardy, H .R.
Hargraft, W. M.
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Harper, R. J.
Harpham, Horace
Harrington, Dr. Paul
Harris, Ralph W.
Harris, W. C.
Harrison, Kenneth J.
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Harton, E. Douglas
Harvey, R. C.
Harvey, Warren G.
Harvey, Dr. W. J.
Harvey, William S.
Hastings, C. E.
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Hawes, Fred J.
Hawkins, V. S. G.
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Hayden, Gordon K.
Hayden, Hon. Salter A., Q.C.
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Hayes, John D.
Hayman, J. L.
Hayter, E. W.
Hayward, A. P.
Hayward, Chester G.
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Heal, W. E.
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Henderson, Douglas J.
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Henry, E. F. L.
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Henson, R.C.C.
Hermant, Percy
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Hewson, E. G.
Hicks-Lyne, Col. R. T. E.
Higgin, Edwin S.
Highmoor, C. K.
Hilborn, Melvin, C.A.
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Hill, John D.
Hill, J. V.
Hill, Rev. R.
Hill, Roy C.
Hill, Wm. S.
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Hines, W. James
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Hirst, Josh
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Hogg, Lt.-Col. N. D., M.B.E.
Holden, Dr. Otto
Holford, Wm. D.
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Hull, Rodney
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Loureiro, V. H.
Lovering, His Honor Judge Egerton
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Lucas, Roy O.
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Lundberg, Hans
Luxenberg, Benjamin, Q.C.
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Lyons, Jarvis
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Lyons, Lt.-Col. S. E.

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MacAdam, Wm.
MacColl, H. G.
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MacDonald, Murdoch K.
MacDonald, Rev. A. J.
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MacDonald, Howard
MacDonald, J. B.
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Macdonell, Rex B. G.
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Macintosh, J.M., Q.C.
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Mackay, Hon. Mr. Justice J. Keiller
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MacKenzie, D. Rae
MacKenzie, John D.
MacKenzie, Wallace J.
MacKersy, L. S.
Mackey, Wallace A.
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Mackie, R. A.
MacKinnon, Angus P.
Maclachlan, Wills
MacLaren, Ian
MacLean, D. A.

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MacMillan, William
MacNeill, Alan
Macphee, Norman
Macpherson, Alex F.
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MacRae, John
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Magwood, W. Marsh, Q.C.
Maize, John W.
Malcolm, C. J.
Male, W. Harold
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Manning, G. L.
Manning, J. R.
Manton, Frank
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Marchment, W. R.
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Markon, K.
Marley, Major E. H. M.B.E., T.D.
Marsden, G. R. C.
Marsh, Gordon F.
Marshall, C. C.
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Marshall, George A.
Marshall, G. L.
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Marshall, Col. K. R.
Marston, A. H.
Martin, George L.
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Martin, Walter M., Q.C.
Martyn, H. L.
Mason, V. A.
Mason, V. K.
Massie, Major J. H. C.
Massie, R. H. L.
Matson, Harry
Matthews, A. Bruce
Matthews, C. Syd.
Matthews, Brig. F. Beverley, C.B.E., Q.C.
Matthews, James G.
Matthews, Peter Alec
Maudsley, J. H.
Maxwell, Frank D.
May, George E. I.
Maybee, W. E.
Maynard, J. C.
Maynard, Robert B.
Mayzel, Harry
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McAfee, Raymond E., C.A.
McAlister, E. A.
McArthur, Melville H.
McAteer, W. B.
McAvoy, Louis Peter
McBain, Alex. L.
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McBrien, W. W.
McCabe, V. J.
McCaffrey, E. R.
McCarthy, D'Alton
McCarthy, John
McCarthy, Leigh M.
McCartney, W. S.
McCaul, L. F.
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McClatchie, John, C.A.
McClellan, L. A.
McClelland, D. McK., F.C.A.
McColl, Hugh
McConnell, J. E. Jr.
McCordic, Malcolm C.
McCordic, William J.
McCormack, T. G.
McCraw, D. F.
McCrimmon, B. V.
McCulley, Joseph
McCullough, J. L.
McCutcheon, M. W.
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McDonald, D. F.
McDonald, Rev. Canon J. W.
McDonald, Peter
McDonald, Verne D.
McDonough, John E.
McDormand, Rev. Dr. T. B.
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McDougall, R. G. M.
McDowell, George
McDowell, J. N.
McEachern, C. D.
McEachern, John M.
McEwen, Gordon C.

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McGibbon, L. M.
McGill, Cecil D. O.
McGillawee, Ross
McGillion, F. B.
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McGillivray, Major George A.
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McGowan, L. J.
McGuigan, Dr. J. P.
McHardy, R. A.
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McIver, Murdoch
McKay, W.
McKay, Will G.
McKay-Clements, J. L.
McKee, John A.
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McKellar, John
McKinnon, N. J.
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McLaughlin, Paul
McLean, Donald E.
McLean, J. McK.
McLeod, Allan J.
McLeod, Alex. N.
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McMillan, N. L.
McMillen, John B.
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McNair, T. Kennedy
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McNeil, W. G.
McNeill, E. W.
McNeillie, William R.
McNicol, J. A.
McPherson, R. S., F.C.A.
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Meredith, J. W.
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Mess, Brigadier James
Messer, Harry W.
Messinger, Lucien Eli
Metzler, Jas. B.
Mewhort, D. S.
Michell, C. A.
Michener, D. R., Q.C.
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Middleton, John G., Q.C.
Middleton, V. A.
Might, P. G.
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Miller, Andrew
Miller, G. C.
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Montgomery, Albert H.
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Moreland, Paul A.
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Morgan, Marcel T.
Morison, D. W.
Morley, Frank
Morley, Dr. T. P.
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Morrison, D. W.
Morrison, Lt.-Col. L. S.
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Mustard, Peter
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